

the country have passed on the matter—it is late, and my friends feel that the time has come to act.

Mr. HELMS. I would simply also—

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HELMS. Just 1 more minute, and then I shall be through, and you gentlemen can have it.

There was just one question remaining in my mind. I keep hearing about the American Bar Association. As far as I know, the American Bar Association was not elected to the United States Senate. The Senator from New York was, the Senator from California was, and the Senator from North Carolina was, but the role of the American Bar Association is purely advisory as far as I am concerned.

They may be right upon occasion, and they may be wrong upon occasion. But if they are so interested in this legislation, why did it not go to the Committee on the Judiciary? Why was it sent to the Labor and Public Welfare Committee where it was acted upon?

Mr. JAVITS. I hope the Senator will forgive me if I—I think I have almost exhausted the subject, but I have the greatest respect for the Senator and, if he wishes, I will answer the question.

The Economic Opportunity Act, the so-called antipoverty program, has been in the constant jurisdiction of the Committee on Labor and Public Welfare from the beginning. This goes back almost a decade. One of the elements of the Economic Opportunity Act is the legal services program. Hence, when the matter involved amendments with respect to the extension of the Economic Opportunity Act of 1964, the amendments have invariably been referred to the Committee on Labor and Public Welfare. That is the reason for this measure and the reason why the committee reported the bill.

I repeat, had any other committee sought to assert jurisdiction over the measure, the methodologies of the Senate which are practiced, the procedure would have permitted that committee to seek to have it referred. But that did not happen in this case.

That is the best information I can give the Senator.

Mr. HELMS. I thank the Senator from New York and, let me say, I have enjoyed the discussion.

Mr. JAVITS. I thank my colleague.

Mr. CRANSTON. Mr. President, first, it is a great pleasure for me to have been recognized by the Vice President of the United States. It is the first time it has happened in my experience in the Senate. When I was brand new here, I felt that I should not speak during the brief time the Senator from Minnesota (Mr. HUMPHREY) was in the chair as Vice President. Then, his successor was never here except when close votes were expected, so I never had the opportunity to seek recognition when he was in the chair. Consequently, it is indeed a great

pleasure to be recognized by a real genuine Vice President of the United States.

Mr. President, I should like to say on the matter of the Judiciary Committee and its relationship to a role on the legal services bill, as the Senator from New York has said, since passage of the Economic Opportunity Act in 1964, the Committee on Labor and Public Welfare has had jurisdiction over anti poverty programs, including the legal services program. The Judiciary Committee has never had jurisdiction.

A recommitment motion was made last year, when legal services corporation legislation was on the floor, to refer the bill to the Committee on the Judiciary and it was defeated by an overwhelming vote.

The chairman of the subcommittee that would be most likely to have jurisdiction, if this matter were to be referred to that committee is my colleague from California Mr. TUNNEY. He is chairman of the Subcommittee on Representation of Citizen Interests. I have discussed this with him, and he has made it plain that he does not wish this matter referred to that committee and, hence, to his subcommittee. It is well recognized that the Committee on Labor and Public Welfare has this jurisdiction.

It so happens that my colleague from California wrote a letter to the Senator from North Carolina (Mr. HELMS) in response to a query from him about the Judiciary Committee and its possible interest in this measure. Mr. TUNNEY there is no desire by that committee to indicated in his letter of July 6 that have that matter before it. He did state:

The subcommittee shall review carefully all existing Federal legal services programs to determine whether or not they are adequately serving the needs of the poor.

The committee report on S. 2686 states:

The bill reported by the Committee on Labor and Public Welfare represents a bipartisan effort, based upon the bill submitted to Congress by President Nixon on May 15, 1973.

A majority of this body, a majority on this side of the aisle, a majority on that side of the aisle, and the administration, do not want this measure re-committed. They want it passed.

All 16 members of the Labor and Public Welfare Committee, Mr. President, support the bill and want it speedily passed.

I had hoped again that tonight we would have the opportunity to discuss this bill on its merits, the arguments for it, and the arguments, if any, against it, but again there is no desire, apparently, by those seeking to obstruct it, to speak on it.

I note that no one is in the Chamber right now to speak against the measure. Obviously, we have simply run into a filibuster, so we have taken the route normally available and often taken

when the Senate faces a filibuster, and the majority and minority leaders have filed a cloture motion.

Mr. President, I yield the floor.

#### QUORUM CALL

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

#### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 9:45 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: MCGOVERN, BELLMON, SAXBE, HANSEN; after which the following Senators will be recognized, each for not to exceed 10 minutes, and in order stated: MANSFIELD and GRIFFIN.

At the conclusion of the aforementioned orders, the Senate will proceed to the consideration of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes; at the conclusion of which, under the order previously entered, the Senate will proceed to the consideration of the Special Prosecutor bill.

On tomorrow there will be ye-and-nay votes on motions, amendments, and final passage, hopefully, of the supplemental appropriations bill.

I yield the floor, Mr. President.

#### ADJOURNMENT TO 9:45 A.M.

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:45 a.m. tomorrow.

The motion was agreed to; and, at 8:05 p.m., the Senate adjourned until tomorrow, Wednesday, December 12, 1973, at 9:45 a.m.

#### NOMINATIONS

Executive nominations received by the Senate December 11, 1973:

##### NATIONAL LIBRARY OF MEDICINE

The following-named persons to be Members of the Board of Regents, National Library of Medicine, Public Health Service, for a term of 4 years from August 3, 1973:

Joseph Francis Volker, of Alabama, vice Jack Malcolm Layton, term expired.

John William Kaufman, of New Jersey, vice William O. Baker, term expired.

## HOUSE OF REPRESENTATIVES—Tuesday, December 11, 1973

The House met at 10 o'clock a.m.  
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*The Lord will give grace and glory; no good thing will He withhold from them that walk uprightly.—Psalms 84: 11.*

O Lord, our God, unto whom all hearts are open, all desires known and from whom no secrets are hid, bless us with

Thy presence as we wait upon Thee in prayer. By Thy grace may we discharge our duties with diligence, carry our responsibilities with firm faith and live our lives with the light of love aglow within us.

Help us to turn our wayward and our worried hearts to Thee. Set us free from the failures of the past, the faults of the present, and the false hopes of the future. Grant unto us the courage to turn from evil ways and the confidence to come to Thee who forgives and cleanses and heals.

We pray for these leaders of our country. Do Thou so rule their spirits and so reign in their hearts that what they do may be for the welfare of our people and the well-being of all mankind.

In Thy holy name 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.

### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. 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. 642]

Abdnor	Foley	Peyser
Adams	Frey	Reid
Alexander	Fuqua	Reuss
Anderson, III.	Gialmo	Riegle
Aspin	Goodling	Rooney, N.Y.
Badillo	Gray	Ryan
Blatnik	Green, Ore.	St Germain
Bolling	Hammer-	Sandman
Brown, Calif.	schmidt	Shoup
Buchanan	Hansen, Wash.	Stanton,
Burke, Calif.	Harsha	James V.
Byron	Harvey	Stokes
Carey, N.Y.	Hébert	Taylor, Mo.
Cederberg	Heinz	Teague, Tex.
Chisholm	Horton	Thompson, N.J.
Clark	Huber	Tiernan
Clay	Hunt	Vander Jagt
Collier	Jarman	Veysey
Collins, Tex.	Landrum	Waggonner
Conyers	Long, La.	Walsh
Dellums	Long, Md.	Wampler
Dingell	McDade	Ware
Dulski	Macdonald	Wilson,
du Pont	Mailliard	Charles, Tex.
Erlenborn	Mann	Wyatt
Eshleman	Matsunaga	Wydler
Fish	Millis, Ark.	Young, Fla.
Fisher	Mink	Zablocki
Flowers	Minshall, Ohio	
Flynt	Nichols	

The SPEAKER. On this rollcall 347 Members have recorded their presence by electronic device, a quorum.

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

### TRADE REFORM ACT OF 1973

Mr. ULLMAN. 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 bill (H.R. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon.

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. 10710, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on yesterday the gentleman from Oregon (Mr. ULLMAN) had 1 hour and 19 minutes remaining and the gentleman from Pennsylvania (Mr. SCHNEEBELI) had 1 hour and 31 minutes remaining and the gentleman from Pennsylvania (Mr. DENT) had 19 minutes remaining. Before rising the gentleman from Oregon had yielded back the remainder of his time, reserving 20 minutes for himself, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) had yielded back the remainder of his time, reserving 20 minutes for himself.

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

Mr. DENT. Mr. Chairman, I just want to remark that I have seven daily newspapers in my district and this is the only notice that I have seen in those newspapers at any time mentioning the trade bill. What I am trying to say is that I believe the American people have little or no idea of the seriousness of the problem before us today.

Nations since the beginning of time have tried to shape their own destinies. We are now in the midst of an era in history when we no longer can guide our own economies and establish our own taxes or do anything on our own to better the way of life of our people. We are each day becoming increasingly at the mercy of the stateless, soulless, anomalous corporate entities.

We started out in this country first with the conglomerate, which later stretched its tentacles into foreign countries and became a multinational. The next step on this road to stateless entities is the so-called transnational, and then eventually we will be in what is called the cosmo corporation which is being engineered by no less than George Ball, who engineered the trade bill we are living under today when he presented to my committee years and years ago a position paper in which he said that the United States of America had to get out of unsophisticated production of goods, that we were a nation which ought to produce nothing but the sophisticated products. He was forgetting of course that the labor-intensive industries are the backbone of the economy of any nation, whether it is a sophisticated nation or a nation that is emerging from the dark, dim blackness of poverty.

We find ourselves today facing the question that I want to believe honestly all of us know what it is all about but I am fearful that none of us really knows what it is all about.

The soulless multinational corporation, and there are two American-based multinationals which are more responsible for the devaluation of the dollar than all of the international bankers in the world. When they got word of the great transactions taking place in the Eurodollar they immediately moved in and dumped billions of dollars, setting the rush and the stampede on the American dollar.

In the language of the streets, in the language of the gutters from which I came, I will be compelled to say that the multinational operation has bastardized international trade. It is no longer a movement of goods for the uses of people. It is no longer an avenue with which a nation such as ours, with the greatest art ever invented as a nation has a soul and goes into the soul of America to do good for the nations that needed help, reaching out and spending our moneys, giving our talents, our trades, our crafts, and even our marketplace, absorbing within ourselves millions of nonproducing Americans walking the streets in despair; I say that in degradation, on relief in the third generation in some families in this country.

I would rather disassociate myself from the whole world if it means one worker in my district losing his American heritage.

Why do we think the multitudes of peasants and little people came from all over the world to this country? They came here and all of our ancestors, once, twice, thrice, fourth removed from ourselves in this generation came. They came here because they could breathe here. They could become for themselves whatever they could make and sacrifice to give their families that which they had not. Out of this great mass of poor peoples from all over the world, we created a nation. Then we got greedy and we started to exploit our own people.

We have passed law after law in this country to try to uplift the well-being of millions of Americans who could not protect themselves in the workplace of the market, of labor in the country. So we passed the Fair Labor Standards Act.

I asked this Congress on two occasions to write into international law our trade bill, the same provisions that we provided within the United States. That is that no product at this moment, no product can move from one State to another in the United States of America, unless it is produced under the Fair Labor Standards criteria.

Why then should a company be able to move from another company and go across the Rio Grande and set up in Mexico and produce outside the umbrella, out from under the umbrella of the fair labor standards and ship their products across the river?

Eighty-five thousand jobs gone in 3 years, under the PRONEF tariff agreement with Mexico, not negotiated by the Commerce Department of the United States, but negotiated by the State Department. Today, the only amendments we are allowed to work on in any way, shape, or form, have nothing whatsoever to do with the economics of international trade.

I read the letter sent up by the President asking that this bill be put on the



calendar at this time. Two lines are devoted in this 100-odd-page bill and the rest of it demanding that we treat Russia like a new-found brother.

Let me say something; part of this time I am going to read the contract which I told the Members I would yesterday. Hear me, my friends, hear me, because this is the contract negotiated with Soviet Russia, and if any man in this room knows different, stand up now and tell me that it is not correct. Let me tell the Members what it was, and I put it in the RECORD February 22, 1972; in plenty of time for the Committee on Ways and Means to look at it and study it—plenty of time.

Here is the contract:

Mr. Kosygin laid down two specific terms before he would discuss trade agreements in any way.

This is the report of the president of the Corn Products International, of a 100-member committee that went to Russia to lay down the precepts and the conditions to enter into a trade agreement with the United States of America:

Mr. Kosygin laid down two specifics. First, he said that the Soviet Union must be considered as a favored nation under our trade agreements. This means that all concessions that we have given over the 30 years of reciprocal trade agreements between the United States and friendly emerging nations would have to be given to the Soviet Union in one fell swoop.

The second provision that he would expect is that all avenues of credit now open to all our trading partners would be open to the Soviet Union, including the Import-Export Bank financing.

He went on further to say that he would expect that all avenues of credit now open to all our trading partners would be open to the Soviet Union.

I repeat that, including the Export-Import Bank. Not only are they trying to do this, and first of all we have it to attach to this legislation, and second in the bill coming up later today, we will have it on page 18 of the foreign aid bill. Two shots at the same thing.

He went on further to say:

Since the United States was so far ahead of Russia in its production of sophisticated computers, and that he was having difficulty buying computers from the United States because, he said, they would not be used for military purposes.

At least he was honest enough to qualify that particular statement by saying that at least these computers we would buy now would not be used for military purposes.

Then he went on to say, to put the clincher on what I think would be a most devastating blow to U.S. industrial productivity and employment capacities—he said that he would want and expects American enterprise concerns to build plants and to send the equipped and trained persons to teach them the know-how to produce many industrial goods that they do not have proficiency in today.

Further, he would expect and demand that the plants would be paid for by selling to the United States the production of those plants.

Further, he said that this meant also pre-agreement arrangements for the plants would include an agreement to buy the same amount of goods from those plants annually for the next 20 years.

He further went on to say that any products that the United States would sell to Russia would have to be part of a quid pro

quo in which the Russian products would have to be bought by America, and that all products bought from America would have to be paid for in a barter type trade arrangement on products from Russia because "We will not pay for products from any hard currency country other than in products from our country to take their place in a barter deal."

This is what we are voting for today, and no man or woman in this room can plead ignorance to this fact. This is something you cannot go out of here and say, "I did not know about it." It has been in the record since February 22, 1972, and we are voting for it today. Every man in this room, every woman in this room, every Member of this Congress must take that blame home with him.

Let me tell the Members what duties we have, and I only have a few moments.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield? I want to talk about that trade agreement; it is very vital.

Mr. DENT. I will come back to you. Please make it quick; the gentleman will notice that they put me on here and shackled me with two sledgehammers as to this time.

Mr. BURKE of Massachusetts. We realize that. We understand the situation, but it is interesting to note that in that trade agreement with Soviet Russia, there were 40 named ports established by this administration, but there is not one port in the northeast part of this country.

They talk about "most favored treatment." They are destroying the entire industrial complex of the Northeast, and they contribute further to it by failing to list one port in the northeast section.

Mr. DENT. Mr. Chairman, I thank the gentleman very kindly.

The Russians have a hammer and sickle as their standard bearing. We have a "Sickly Hammer," a man named Armand Hammer. This is an \$8 billion deal that we are going to finance, at \$400 million a year for 20 years.

To do what? To build a gas pipeline over an area with 1,500 feet of frosted tundra. We have to go down and float the bellyfat and build up from there. They have got a buildup of pipeline up to 45 degrees coming across the steppes.

This we bought. There is a \$3½ million deal for technology and know-how already consummated, and if we do not pass this bill, our little Russian brothers are not going to let us get any Arabic oil. It is just that simple.

When are we going to demonstrate to our people in our districts that we do have brains enough to run this country for the people's own benefit? When are we going to quit lying to the people about what is happening to the United States of America and its people? How can we fail to understand this when we walk up and down our streets and through our streets and go past the unemployment office and watch our people tramp up and down, without employment?

Oh, we are sitting nice and smug. All we have to do is get elected every 2 years, and we do not have to worry. We do not have to care a damn if our people are unemployed.

We can go back and tell our people that we ratified these agreements, and that is what we are doing today, just ratifying these agreements.

Mr. Chairman, if God were to give me the strength and the time of life to live and if I had the financial means, I would go into every Member's district, and all I would give the people would be this message. I would ask them to listen just to this message.

Here is the rest of it, just a little of it: This is an \$8 billion barter deal, 500 miles southeast of Moscow, with American dollars. We are dependent upon the Arabic states and we are in a crisis on oil.

Can we imagine what kind of a crisis we would be in if all of a sudden this Nation could not bring in the ships with the goods?

It cost us \$10 billion or more, according to the best estimate I can get, for the extra shipping for the Vietnam conflict, because we had to use foreign flag ships, under contract, and pay them an exorbitant bonus for going into a war zone, and there was not a gun in the whole place that could reach them.

Here we have Occidental and El Paso gas in another deal. This is \$10 billion. This is Occidental again, our good friend, "Sickly Hammer." This is \$8 billion of chemicals and machinery for the chemical fertilizers for the next 20 years, and we are going to kick back again \$400 million a year on the chemicals we now have in surplus.

Believe me, this has nothing to do with me. So far as my own life is concerned, it does not matter; this could be 10 times as bad, if we could possibly consider a situation that bad. Whatever happens, it will not affect my life. The only being that can affect my life now in any way, shape, or form is the Lord above, because all the rest of it is in a real neat pattern. I go home on weekends and visit a little bit with my wife, and then I come down here the rest of the week and visit with the Members.

That I will probably do until I die or until my people say it is time to hang up. Another joint venture that might interest you might have been a good deal. Also Sickly Hammer's deal, this time with the Bethel Corporation. \$110 million to build an international trade center outside of Moscow. Occidental is not building it but you are building it and my unemployed people are building it. Every time they go into a store and buy themselves a little bit of food they pay a sales tax out of the meager earnings they have. What does it go for? For running my country. And these two agreements alone, in these two agreements alone we are going to spend \$18 billion or \$20 billion. We will add \$20 billion to the public debt of the United States. We do not have the money. We have to borrow the money we put in the Export-Import Bank. If you do not believe that, just sit here and have another bill pushed by the Committee on Ways and Means in order to up the debt limit again for another 6 months.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. DENT. I apologize to all of you for taking up so much of your time. I

only hope that you believe what I said. If you do not believe, live long enough and you will.

I am submitting certain documents for the record.

The documents referred to follow:

**PROBLEMS WITH THE BILL—GENERAL**

1. Too much Presidential power.
2. Abdication of Congressional authority.
3. Use of trade as diplomatic tool, as opposed to economic reality.
4. Timing of the bill is bad—current situation will allow negotiators to take advantage of us.
5. Increased unemployment—implicit by trade adjustment assistance provision. In light of possible mass unemployment, any due to trade policies is unacceptable.
6. Movement from a manufacturing economy to a service-oriented credit economy is dangerously unwise.
7. Increased dependence on imports. Supporters of the bill contend that for the most products make up less than 10% of domestic consumption. Even if they were right—which they aren't—our dependence on Arab oil amounts to about 6%—and you see what that has done.
8. Non-tariff barriers are eliminated.
9. No action on multinational corporations that export jobs, capital, and technology.

**PRESIDENT HAS POWER HE NEVER USES**

Section 338 of the Tariff Act of 1930 and Section 252 of the Trade Expansion Act of 1962 give the President virtually plenary power to withdraw tariff concessions from countries who have not honored their commitments to us to provide equivalent access for U.S. exports to their countries. The provisions of the General Agreement on Tariffs and Trade also permit action by the United States as a Contracting Party to withdraw tariff concessions from nations whose actions have nullified or impaired the value of concessions granted to the United States.

The sad fact is that with but few exceptions the Executive Branch of the Government has failed to use such authority as a means of effectively getting the attention of the countries that are violating our trade agreement rights and burdening our commerce.

This reluctance to act with crisp efficiency against unfair practices of other nations has also been observable in the manner in which the antidumping and countervailing duty statutes have been administered by the Treasury Department.

It should be axiomatic under the spirit of the Antidumping Act that merchandise sold for export to the United States at such a low price that it does not cover the cost of producing the goods, is sold at less than fair value.

**PROBLEMS WITH BILL—BY TITLE**

**TITLE I.—NEGOTIATING AUTHORITY**

1. Allows President to permanently alter international trade and U.S. economic structure by entering into 5 year agreements.
2. President can:
  - A. Cut tariffs
  - B. Remove non-tariff barriers—like "Buy American" provision, American Selling price, product standards (90 days notice to Congress plus 90 days to veto)
  - C. Impose import surcharges and/or quotas to correct balance of trade or dollar depreciation (limited to 150 days)
  - D. Authority to control inflation by removing tariffs and quotas on imports (limited to 150 days)
  - E. Authority to negotiate new GATT rules and regulations
3. Congressional role is deceptive because it will be very difficult to conduct trade policy on a "take-as-is or not-at-all" basis.

**TITLE II.—"RELIEF" FROM INJURY CAUSED BY IMPORT COMPETITION**

Industry petitions Tariff Commission for "relief"—if affirmative, "relief" can be granted by

1. Duties
2. Tariff-rate quotas
3. Quotas
4. Orderly marketing agreements

Also adjustment assistance by petition to Secretaries of Labor and Commerce. Imports must have contributed "importantly".

Workers only receive: 70% of average wage for 26 weeks; 65% of average wage for 26 weeks; older workers plus 13 weeks; and workers in training plus 26 weeks.

Industries: \$1 million in direct loans; and \$3 million in government-guaranteed loans. The provision is a clear indication that industry based here will get no help or protection. It is an encouragement to locate abroad, and take with the dislocations, jobs and money.

**TITLE III.—RELIEF FROM UNFAIR TRADE PRACTICES**

- 1) Provides retaliatory authority; can institute retaliation after notifying Congress, but Congress has 90 days to veto.
- 2) Antidumping Act is amended to put time limits on investigations.
- 3) Countervailing duty law is amended by requiring a finding of injury by Tariff Commission before there is action. President can also postpone any implementation of this law if the President believes it would seriously threaten international negotiations, i.e., GATT.

**TITLE IV.—MFN FOR COMMUNIST COUNTRIES**  
**Vanik Amendment.**

**TITLE V.—PREFERENCES FOR DEVELOPING COUNTRIES**

Presidential authority to grant tariff preferences (down to zero) on semi-manufactured and manufactured imports from developing countries—at least 35-50% of the material and processing costs might be attributable to D.C.; preferences cease when imports reach \$25 million value or constitute 50% of total yearly U.S. import. (Another multinational provision?)

**OCCIDENTAL PETROLEUM—RUSSIAN DEALS**

1. Armand Hammer, Chairman of Occidental Petroleum, man responsible for negotiations.

**CHEMICAL DEAL**

2. \$8 billion agreement to trade chemicals and machinery for chemical fertilizers over the next 20 years.

3. Essentially a barter deal, involving almost no exchange of cash.

4. Tass called it "an agreement on cooperation in building a big mineral fertilizer complex in the Soviet Union."

5. Occidental Petroleum is going to build 4 fertilizer factories, 500 miles southeast of Moscow, a capital investment of \$400 million, of which \$80 million is expected from the Eximbank; after they are built, Occidental will provide more than a million tons of superphosphates a year. In return, Occidental will get urea and ammonia for fertilizer valued at about \$400 million a year. No jobs for U.S. workers!

6. Izvestia, the Soviet Government newspaper, cited Senator Jackson as a man who "intimidates his audiences with statements to the effect that the so-called development of Soviet-American ties is just 'aid to Communism'."

**NATURAL GAS DEAL**

1. Occidental and El Paso Natural Gas Co. has signed an agreement with Soviet Union that could bring more than \$10 billion worth of Soviet natural gas to the U.S. over a 25 year period.

2. Hammer said Soviets have agreed to have products shipped "both direction" in American bottoms.

3. This deal is contingent on securing financing from U.S. lenders, and outside lenders will be sought as a last resort.

**TRADE CENTER DEAL**

1. Occidental is in joint venture with Bechtel Corporation, San Francisco to furnish design, supervisory and technical aid in the building of International Trade Center in Moscow at cost of \$100 million, excluding land.

**POLISH DEAL**

November 11, 1973—\$2½ million agreement extends 10 years and covers metal-finishing and pollution control equipment.

**RUSSIAN WHEAT DEAL**

1. July 8, 1972 the President announced an agreement that made \$750 million worth of credit over a three year period.

2. Within a few weeks, subsidized wheat sales approximated \$700 million, the largest private grain sales in U.S. history.

3. The Soviets made off with one-fourth of the U.S. wheat crop causing high prices and shortages nationwide, and with the sanction of the President.

4. Wheat in July, 1972 was \$1.63 a bushel—it is now \$4.65 a bushel.

5. GAO Report indicates

A. \$300-\$350 million in taxpayers' money was wasted in export subsidies not required in the marketplace.

B. The Department of Agriculture was totally deficient in administering the program, in maintaining information, and in determining the appropriate export target price.

C. Had the Agriculture Department been more on its toes, the Russians would have paid more and Uncle Sam would have paid less.

6. Other Speculations for Wheat Deal

A. "Detente".

B. Get farm prices up before 1972 election.

C. Potential conflicts of interests between decision makers in the Dept. of Agriculture and major grain dealers.

**GENERAL COMMENTS ABOUT SOVIET UNION**

1. Lenin described a capitalist as "a man who will sell you the rope that is going to hang him."

2. Overriding theme in present discussion about trade involves the export of American capital goods and technology financed by huge credits and credit guarantees underwritten by American taxpayers.

3. We get promises instead of cash. By denying them easy term credit, we can force them to pay us in gold (which they have \$9 billion), or force them to sell their gold and pay us in dollars.

4. Demand cash to

1) soak up Eurodollars

2) improve balance of payments

5. In the last year, Export-Import Bank has loaned more than \$1 billion to U.S.S.R. Private sources are estimated to account for \$3 billion.

6. Kosygin said flatly that there would be no currency exchange, only barter.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from Florida (Mr. GIBBONS), a member of the committee.

Mr. GIBBONS. Mr. Chairman, this is perhaps the most difficult speech I have ever had to make in my life. I admire, respect, and love JOHN DENT. He has already characterized me as a sledge hammer. I guess I will go down in history being "Sledge Hammer Sam." However, I feel some statements have to be made so that those who look at this RECORD in the future will have an accurate portrayal of what I think the facts are.

First, Mr. DENT is not talking about this bill but he is talking about the cur-



rent law. We are seeking to change the current law. I could perhaps follow his reasoning if I could follow his figures. Yesterday I heard him on this floor make this statement, and this statement is in the Record on page 40548 and I am reading from it right now:

Unemployed workers collecting as of July 1, 1973, 8,795,000.

I questioned the staff of the Committee on Ways and Means and asked them to check with the Unemployment Insurance Service, Manpower Administration, Department of Labor, Mr. Ralph Altman this morning and as of July 1; instead of there being 8 million unemployed as stated here yesterday there were 1,343,000 receiving compensation as of July 1, 1973.

Mr. DENT. Will the gentleman yield at that point?

Mr. GIBBONS. I will be glad to.

Mr. DENT. All right. Then I will give you my authority. All the figures that I read yesterday came directly from the first week in July issue of the Reader's Digest with the figures printed in them—7,965,000.

The Manpower Commission figures say that 6,695,000, is the correct figure. BLS show a different total, no two figures are alike.

Mr. GIBBONS. Well, I am sorry. I go into a little more reliable sources than the Reader's Digest.

Mr. DENT. I have given you my source.

Mr. GIBBONS. And the gentleman had 19 minutes to do this, so it is a little impossible for me to rebut him in the 7 minutes I have. On June 14, 1973 Mr. DENT appeared before our committee. I did not read his testimony until last Sunday or I would have told him about it sooner. On page 4935 of the committee record in his formal statement, and not the one the Clerk took down, but the one he turned in, he said that:

At that time in 1962, there was a total of 16,800,000 persons engaged in manufacturing, with a payroll of \$90 billion a year, and with a total population of 160,000,000 people. Today with a total population of 208,000,000 there are 14,127,000 persons employed in the manufacturing sector. I point this out because, in spite of all their predictions, there has been a loss of jobs in the manufacturing sector, in the face of a production consumption increase of 50-60%.

Actually, the figure from the Department of Commerce shows that the total employment in manufacturing on that date was 19,856,000 and not 14,127,000. That is a pretty substantial error. If Mr. DENT spoke quoting from the Reader's Digest I can understand why he reasons as he does.

As I say, this is not a pleasant speech for me to make because I like JOHN DENT. I admire him, and I have worked with the gentleman in the Congress and in our committees for a long time.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I yield briefly to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I think it is only fair to point out to the Members of the House that the figures that the gentleman from Pennsylvania was giving here do not include the figures of those on welfare. Now, when people ex-

haust their unemployment compensation then they go on welfare. I would like to have the gentleman give out the figures of those on welfare, as they have been calculated.

Mr. GIBBONS. There are about 12 million on welfare. About two-thirds of those people on welfare are children under the age of 15, and most of the rest of them are women in the families who are managing the children under 15, and who, because there are no day-care centers and such as that, have to stay home and do not work.

I am not going to defend the welfare system. There have been plenty of studies made of the welfare system, and they show that we have able-bodied people on welfare, about 1 million, soaking wet, in this country. We are talking about—

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. GIBBONS. No, I am not going to yield further to the gentleman because the gentleman from Massachusetts had plenty of time yesterday.

Mr. BURKE of Massachusetts. As a matter of fact, I had almost no time, or very little time allotted to me.

Mr. GIBBONS. If that is the case, then I will yield further to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I am not objecting because I have not had sufficient time; I merely want to point out to the gentleman that in our Commonwealth of Massachusetts welfare has been increasing at the rate of \$200 million a year for the past 4 years. And that has nothing to do with children or anything else, it has to do with unemployment. We have 200,000 people drawing unemployment as of today.

Mr. GIBBONS. I know the situation the gentleman from Massachusetts refers to in Massachusetts, and I regret that situation. I know the gentleman from Massachusetts has made this point many, many times in committee, but all of that has to do with the present law. What we are talking about today is changing the present law and improving the situation, and this bill does it, and does it very dramatically.

The issue of trade with Russia that the gentleman from Pennsylvania (Mr. DENT) has dwelled a long time on is one in which the House will have an opportunity to vote on here in just a moment as to whether or not the most-favored-nation treatment will be granted under this bill as suggested by the President. And there will be a motion to strike that entire section from the bill. And I think it was certainly a very sad mistake that MFN was ever inserted in this bill.

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

Mr. GIBBONS. Yes, I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Chairman, what difference does it make if the gentleman from Pennsylvania (Mr. DENT) made an error or did not make an error? Are we talking about a trade bill, or are we talking about unemployment figures?

Mr. GIBBONS. Let me say that I was using Mr. DENT's errors as an illustration. If I could follow the gentleman's mathematics I might be able to follow

the gentleman's reasoning, but the gentleman's mathematics, which are the basis for his reasoning, are not correct. That is the only reason why I make that point.

The gentleman from Pennsylvania (Mr. GAYDOS) yesterday made a very intelligent speech on the floor in which the gentleman pointed out—

Mr. GAYDOS. The gentleman is very kind.

Mr. GIBBONS. In which the gentleman pointed out some of the problems in the bill. I respect the gentleman for doing that. I respect the other gentleman from Pennsylvania (Mr. DENT) for stating his position. But I just wish to point out very clearly that the facts are not as the gentleman outlines them. They are I believe as I outlined them, and they are from the best sources I have. I am not going to rely on the Reader's Digest on what is important to the future of this country, whether we agree with this bill or not. That is why I say what I do, and I do not do it with any great deal of pleasure.

Mr. GAYDOS. I believe that when the gentleman from Pennsylvania (Mr. DENT) quoted those figures upon which the gentleman relies, whether accurate or erroneous, I think it was merely background material.

Mr. GIBBONS. That is what all of us make our decisions on, upon the basis of background. I am merely trying to correct the record at this time so that the record will accurately reflect what the background actually is.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Florida.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman from Oregon for yielding me this additional time.

I would like to finish my little talk, if I can, here this morning on a positive note.

I am seriously worried about the future of free men in this world. I think it is time for us to stop here at 10 minutes of 11, on the morning of December 11, 1973, and assess the situation and ask who we are, what we are, and where we are going.

As I see it, we are 6 percent of the Earth's population. We have been able to amass and use about 35 to 40 percent of its wealth. We have been blessed by God and by geography and by a lot of accidents in history, and a lot of good leadership, to get where we are. We have a challenge to act responsibly in this world.

We are the biggest trading Nation in the world. We trade more within our own market and we trade more within the international market than any other nation in the world. Yet as we trade, foreign import trade is about 5 percent of our whole gross national product; we set the pace for all the rest of the nations in the world, particularly the free nations in the world.

If we respond negatively and tear up this free world again as we did accidentally in the 1920's and 1930's, then perhaps we may have to relive that very

terrible part of world history. We have an opportunity to go forward now.

This is a well-thought-out, well-reasoned, well-debated piece of legislation that the Committee on Ways and Means presents to the Members this morning. We have done everything we can to make sure that this is not special-interest legislation but that this is broad, general-interest legislation for the good and the welfare of all the American people.

We hope and we trust that although this debate has been acrimonious, that we can close ranks and move forward as American people. I believe from the bottom of my heart that this is a good piece of legislation, a good bill, and that every Member in Congress ought to support it; but I respect those who do not. I want to end this little talk on a note that there is certainly no acrimony in my heart for those who disagree with me.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I think it is important for us to understand at this point just what we do import from Russia, and why it is important that we continue this type of trade.

I should like to cite the 10 most significant items, in terms of dollar value, that we imported from Russia during the first half of this year. No. 1 was palladium, valued at about \$27 million; No. 2 was platinum, about \$14 million; No. 3, fuel oil, about \$13 million; No. 4, nickel, about \$4 million; No. 5, crude oil, about \$3.7 million; No. 6, diamonds, about \$2.2 million; No. 7, chrome ore, about \$1.6 million; plus No. 8, titanium; No. 9, sable furs, and No. 10, glass, all amounting to less than \$1 million each. For the information of the Members, I am inserting in the RECORD at this point a list of commodity groups imported from the Soviet Union, as provided by the administration:

TOP 15 COMMODITY GROUPS IMPORTED FROM THE SOVIET UNION, JANUARY 1973-JUNE 1973<sup>1</sup>

TSUSA No.	Description	Amount
6050750.....	Palladium bars, plates not less than 1/8 in. in thickness of palladium content.	\$25,056,756
4751030.....	Fuel oil with testing 25 degree API under 145 s.	7,491,353
6050710.....	Platinum bars, plate sheets not less than 1/8 in. in thickness of platinum content.	7,145,951
6050210.....	Platinum grains and nuggets plates.	6,050,551
4751050.....	Fuel oil with testing 25 degrees API above 145 s.	4,667,881
6200300.....	Unwrought nickel.	3,982,233
4751010.....	Crude petroleum, shale oil.	3,709,243
6050260.....	Palladium, palladium content.	2,331,027
5203200.....	Diamond, under 1/2 carat cut.	2,262,953
6011560.....	Chrome ore, 46 percent or more chromic oxide.	1,625,687
6050290.....	Platinum group metals and combinations.	1,137,623
4750550.....	Fuel oil with testing under 25 degree API.	1,118,710
6291500.....	Titanium unwrought and waste and scrap.	986,290
1241045.....	Sable fur skins whole, raw, or undressed.	963,910
5423320.....	Ordinary glass, 16-18.5 oz/SF measuring 40-60 unit in.	842,258
Subtotal.....		\$69,372,426

<sup>1</sup> The dollar value of the total import of this time period is \$79,916,852.

<sup>2</sup> The subtotal represents more than 86 percent of the dollar value of the total import.

The character of our imports indicates the need to continue and expand our trade with Russia. These are raw materials, minerals, oil, and other items which are needed in this country.

What about the assertion that the Export-Import Bank is not the proper vehicle to finance our exports to Russia? The Export-Import Bank was established in 1934. Up until February of this year we did not finance or extend credit on a single transaction with the U.S.S.R. Since that time four different transactions with the U.S.S.R. have been financed. What is the character of our credits with respect to Russia? The four items that were financed with credit in sales to Russia were submersible electric pumps, knitting machines, a plant to produce tableware and dishware, and a truck factory. Where is our international involvement as far as our national defense is concerned with respect to these four different types of transactions?

As I cited at the outset, the commodities that we import from Russia are necessary commodities, many of which we cannot find sufficiently elsewhere.

Mr. Chairman, at this point I yield to the gentleman from Ohio (Mr. WHALEN) such time as he may consume.

Mr. WHALEN. Mr. Chairman, that hardly perennial of politics—the tariff—is again before us for debate. The first major legislation of the First Congress of the United States, over 185 years ago, was an act imposing tariffs on imports of numerous manufactured goods. We have been debating the issue ever since. First, we headed toward protectionism, then toward freer trade, then toward protectionism again, then back to freer trade.

#### A. POST WORLD WAR I

As you will recall, immediately following World War I Congress sought to assist domestic industry and agriculture by restricting imports. In 1921 it passed an Emergency Tariff Act which was soon followed by the Fordney-McCumber Act of 1922 which increased U.S. tariffs to their highest levels in history. For the avowed purpose of assisting agriculture, Congress raised most rates still higher when it enacted the Smoot-Hawley Tariff Act in 1930.

By 1931–32 the greatest economic depression in history engulfed the world. So widespread was it that it has become known as the Great Depression. In comparison, more recent economic recessions have been little more than mild headaches.

#### B. TRADE POLICY, 1934–67

By 1931 imports and exports had dwindled to a mere trickle. In 1934 among the many statutes enacted to combat the depression, Congress executed an about-face in trade policy and headed the country in the direction of free trade. Under the inspiration of then-Secretary of State Cordell Hull, it enacted the Trade Agreements Act authorizing the President to make Executive agreements with other countries for the purpose of reducing tariff rates by not more than 50 percent. For its part, the United States continued to treat all

countries alike by extending its tariff concessions to all nations on an "equal treatment" basis. The only exception at the time was Cuba with which we had a preferential agreement. Nondiscrimination in international trade has been this country's stated ideal since the birth of the Republic.

Between 1934 and 1947 the United States moved consistently in the direction of lower tariffs. The greatest reductions of all were made in the General Agreement on Tariffs and Trade—GATT—on a multilateral basis in 1947.

After 1947 Congress became increasingly concerned over competition from imports. The pressure became so great that by the early 1950's numerous legislative provisions were enacted to assure domestic producers that they would not be injured by tariff-cutting. Tariff-cutting authority has always been granted to the President on a temporary basis and over the years the struggle between the administration to reduce trade barriers and the Congress to resist injury to any domestic producer has become increasingly intense.

By 1958, trade legislation had become protectionist-oriented. Thus, advocates of open multilateral trade contended that the President's tariff-reducing powers had become so hemmed in by safeguards against injury to domestic producers that the 1958 act was, in fact, protectionist legislation rather than a vehicle for expanding trade.

By 1962, it became clear that if the United States were to negotiate effectively with the European Economic Community, the President would need much greater authority than had been delegated to him by previous legislation. It also was evident that he would need the power to negotiate tariff cuts on an across-the-board basis, rather than on the basis of one commodity at a time.

Therefore, in 1962 Congress passed the Trade Expansion Act giving the President broad powers to reduce tariffs. After arduous negotiations, the Kennedy Round agreement was signed in Geneva on June 30, 1967, the very day on which the tariff-cutting authority authorized by the Trade Expansion Act of 1962 expired.

#### C. 1967 TO PRESENT

Although the tariff reductions agreed to in 1967 were highly publicized as the deepest reductions ever made in U.S. tariffs, the cuts were really very modest. In terms of percentage points, rather than in terms of percentage reductions from a 1962 base, the average tariff level was reduced from 12 percent ad valorem to a little less than 8 percent.

Since 1967 the President has been without authority to engage in broad international negotiations for the mutual reduction of trade barriers. Once Congress restores this power, the President's trade representatives will find negotiations increasingly difficult because of the proliferation of nontariff trade barriers, including import quotas, export limitations, "Buy National" laws, and various forms of tax discrimination. Further, most tariffs are now either very low or applicable to products that are made by



producers who have enough political clout to intimidate the Government.

As far as the low tariffs are concerned, the next logical step is to eliminate them through negotiations. Notwithstanding the fact that the United States has been negotiating with other countries for the mutual reduction of trade barriers since 1934, there are still a number of products that are subject to tariffs that are highly restrictive of imports. The fact that a number of items are still subject to relatively high tariffs—many of them in excess of 25 percent and a number of them in excess of 50 percent—serves to identify the strong interests that exert restrictionist pressures. Even after 33 years of negotiations for tariff reduction, the tariffs on these items have been touched only slightly, or not at all. In this age of vigorous dissent by the average citizen, we have no time to lose in switching foreign trade policy from the dead-end siding of group pressures to the main track of the public interest. The common denominator of today's revolution is rebellion against the status quo with respect to such human rights as access to clean air and pure water, equal political and economic opportunities for the underprivileged, regardless of race and color, adequate public education, decent housing, and governmental protection of consumers against price-gouging and inferior quality. If the common man understood that tariffs, import quotas and other shackles on trade prevent him from enjoying to the maximum the fruits of his labor, he would certainly add a demand for free trade to the list.

For example, consumers are denied imported tomatoes in midwinter while luscious tomatoes are allowed to rot along the roads of Mexico. This occurs because the U.S. Government chooses to keep prices high through imposition of tariffs so as to enhance the profits of growers of the hothouse variety in the United States. People should understand that they cannot enjoy, at moderate prices, a wide variety and abundance of cheeses from Italy, France, and other countries because their government chooses to tax them for the benefit of producers of high-priced Wisconsin substitutes. They should realize that prices paid for a long list of consumer goods, including textiles, shoes and petroleum, are higher as a result of governmental restriction of imports. If they did, American citizens would be as aggressive against interferences with foreign trade as they are against foul air and polluted water.

Trade barriers diminish the welfare of all the people for the benefit of small groups of producers. Trade barriers are an anachronism in this age of the common man.

#### MY BASIC TRADE PHILOSOPHY

Undoubtedly, my opening comments, and my background as a former professor of economics, confirm that I am an ardent believer in free trade. However, I am fully aware of the immediate human hardships that would be faced by a number of persons if we were to move in that direction rapidly. How to soften these hardships is a challenge to statesmanship and legislative wisdom. The chal-

lenge is to spread the costs of the adjustments that would be necessary over the population as a whole.

It is still true, that from a purely economic point of view, free trade would be in the interest of the people of the United States as a whole. Indeed, it would be in the interest of the entire world if only it could be implemented politically. The principle is not complicated. It merely states the truism that people generally, as well as entire nations, are better off if they apply their productive energies to lines of activity in which their aptitudes and efficiencies are greatest.

Many attempts have been made to denounce this truism, but when one examines them closely he finds that they are political, rather than economic, in nature. The observation that governments subsidize exports, and that cartels and multinational corporations interfere with free trade does not negate the principle. Instead, the interferences which appear to repeal the principle need to be dealt with, as such, by governmental policies that point toward ever-freer trade. Stated simply, the United States should move toward free trade because the closer the world comes to this concept, the greater will be the economic welfare of all people. The fact that the United States is the largest economic power in the world gives it both responsibility and power to convince other countries that they should join with it in attempts to tear down the barriers which impede international movements of goods and capital.

#### TRADE REFORM ACT OF 1973

As you will recall, the President submitted the Trade Reform Act of 1973 to Congress on April 10 of this year. His action anticipated the preliminary trade talks which were scheduled to take place in September in Tokyo to be followed by extensive negotiations in Geneva in 1974. About a month later, the House Ways and Means Committee commenced its review of the legislation which the President had described as "the most significant reform of our approach to world trade in more than a decade." After a 5-month study, the committee reported the act for consideration by the House.

In my opinion, the Trade Reform bill leaves a great deal to be desired. The analysis I now will present will reflect, of course, the foregoing trade views which I have postulated. It also will concentrate on the economic aspects of the measure. That is, I will examine only the first three sections of the bill—title I dealing with negotiating and other authority; title II providing relief from injury caused by import competition; and title III providing relief from unfair trade practices. I will not comment on the purely political provisions which relate to nondiscriminatory treatment of the trade of Communist states—title IV—and the preferential treatment of imports from less-developed countries—title V.

As the act emerged from the committee, it is neither fish nor fowl. In fact, it is difficult to tell from reading the bill itself what its real policy objective is. It concentrates on the mechanics of nego-

tiation and, in so doing, gives broad powers to the President. It also imposes penalties on other countries for unfair treatment of U.S. exports, without defining "unfair."

The bill contains no clear statement as to what the long-run goal, or objective, of the United States is with respect to foreign trade. All that it says is that its purpose is to extend the authority of the President to enter into trade agreements for a period of 5 years. In such agreements, he may continue, or modify, existing tariffs or proclaim additional duties. The emphasis is upon the authority to make agreements without stating their purpose. The phrase "fair and equitable" appears throughout the bill without definition.

H.R. 10710 apparently is an attempt to deflect protectionist pressures that are clamoring for enactment of the Burke-Hartke bill, which is as potentially dangerous as was the Smoot-Hawley Tariff Act of 1930. The Burke-Hartke provisions, if implemented, could precipitate an economic crisis culminating in worldwide depression.

Thus, the trade reform bill might be compared with a horse having two heads, located at opposite ends—or to an automobile with two engines—one headed in one direction and the other headed in the opposite direction. Whether the horse, or the automobile, is headed north or south depends upon whether one views the phenomenon from the north or from the south.

To dyed-in-the-wool free traders, who are grasping at straws everywhere, there is a tendency to emphasize the liberal aspects of the bill without paying much attention to its protectionist features. Conversely, protectionists can find in the measure enough safeguards against trade barrier reductions to induce them to support it.

#### A. H.R. 10710 AS PROTECTIONIST LEGISLATION

In the absence of an official and positive declaration of objective in H.R. 10710, one can only infer what that objective is by noting where stress is laid in the bill itself. It is a complex piece of legislation and in many places is couched in language that is unclear and evasive.

Although it faces in opposite directions simultaneously, toward trade liberalization and trade restrictionism, on balance it is heavily weighted toward the latter.

When read carefully, it is clear that "expanding international trade" refers primarily to expansion of U.S. exports for the purpose of retrieving a favorable U.S. trade balance. Increases in U.S. imports are suspect.

Compare, for example, the authority that the bill would confer upon the President to reduce tariffs with the authority that it would confer upon him to increase them. On the trade-liberalizing side he would be authorized, in trade agreements over a 5-year period, to: First, eliminate tariffs of 5 percent or less existing on July 1, 1973; second, reduce tariffs of 5 to 25 percent ad valorem by 60 percent; and third, reduce tariffs higher than 25 percent ad valorem by 75 percent, providing that no such rate may be reduced to less than 10 percent.

On the tariff-boosting side, however,

the President would be authorized, pursuant to trade agreements, to add 50 percent ad valorem to rates existing on July 1, 1934—that is, under the Smoot-Hawley Act—or to a rate which is 20 percentage points ad valorem above the rate existing on July 1, 1973.

Note that these are not percentage increases, but rather increases in the ad valorem rates themselves. For example, a rate of 25 percent ad valorem could be increased to 75 percent ad valorem, and a rate of 100 percent in the Smoot-Hawley Act—not unusual by any means—could be increased to 150 percent. Furthermore, the President would be authorized to impose a tariff of 50 percent ad valorem on items which were duty-free at the time of his proclamation.

This provision of the bill would give the President power to transfer items from the free list to the dutiable list, a power that has always been the sole prerogative of Congress. This is greater power than has ever been granted by the Congress to any President with respect to tariffs.

Not only are the protectionist weapons given to the President to restrict imports very powerful, but the criteria set forth in the bill for ascertaining injury are much more lenient than in previous legislation. Whereas heretofore it was necessary that the Tariff Commission find that imports resulting from a concession in a trade agreement constituted the major cause of injury, under this bill the word "substantial" is substituted for major. This means that it is necessary for the Commission to find only that imports constitute an important cause of injury and "be no less important than any other single cause." Also, it would no longer be necessary that the injury be caused by imports resulting from a trade agreement concession. Increased imports regardless of their cause would justify action.

The factors that are to be taken into account by the President in penalizing imports after a finding of injury include "ability of an industry to adjust to import competition along with the impact of relief, or lack of relief, on communities, workers, consumers, exporters, and other domestic industries." In context, it is clear that no real, fundamental adjustment is contemplated as far as the economy as a whole is concerned. The adjustment that is stressed in the bill is the adjustment that a given industry needs in order to remain in business.

The weapons that the President can use to eliminate injurious import competition are presented in preferred order, as follows:

First. Increase in, or imposition of, a tariff.

Second. Imposition of a tariff-rate quota.

Third. Imposition of quantitative restrictions.

Fourth. Negotiation of orderly marketing agreements.

Although tariffs are preferred, any or all of the four devices may be used in combination.

H.R. 10710 also would give the President authority to provide relief from unfair trade practices by countries that

maintain unjustifiable or unreasonable restraints on the trade of the United States, either by subsidizing their own exports, or by other means, which have the effect of substantially reducing U.S. exports or reducing the sales of U.S. products in the domestic market. The terms "unjustifiable" and "unreasonable" are not defined. The only restraint on the President is that there must be a finding by the Secretary of the Treasury that subsidies are being paid or other devices being used which are either "unjustifiable" or "unreasonable." It is not necessary that the Tariff Commission make any finding of injury, but merely that the imports in question are "reducing the sales of U.S. products in the U.S. market." It is required, however, that the President find that neither the Anti-Dumping Act nor the countervailing provisions of the law provides adequate remedies. Before taking action he is required to provide an opportunity for the presentation of views by the public, and he may request the Tariff Commission for its views as to the probable economic impact of the proposed action. He is not required to do so, however.

Whenever the President takes action under this section of the act, he must notify the Congress. Within a 90-day period either House of Congress may override his action by a majority vote of those present and voting. Otherwise, the President's action is final.

#### B. TOO MUCH PRESIDENTIAL POWER

The Ways and Means Committee report on the trade reform bill said that it is a "reform bill in every sense of the word." It certainly is, in the sense that it confers unprecedented power upon the President to increase tariffs almost without limit. It does it through ambiguities designed to give the impression that it is an instrument to liberalize trade and to bring about practical cooperation with other countries.

While proclaiming the virtues of freer trade, most of President Nixon's actions during his 5 years in office have been protectionist. Finding himself on the horns of a dilemma—the one to press for freer trade and the other to restrict import competition so as to satisfy powerful political interests—the President has tended to accept both horns by preaching free trade while practicing protectionism. In all probability this formula will continue.

The danger is, since H.R. 10710 does not clearly state the objective of U.S. trade policy, that the "more open and more equitable" trading world that is sought is one in which intimidation will be used to force other countries to buy more U.S. goods. This was demonstrated all too clearly some months ago when then-Secretary of the Treasury John B. Connally used threats in an endeavor to force other countries to buy more U.S. exports.

In all the years since the first Trade Agreements Act was passed in 1934, it was never seriously proposed that the President be given power to determine tariffs and trade policy. Back in the early 1940's, when Congress was considering expanding the President's powers to modify trade barriers, it was stated

emphatically that such authority would be "too much power for a bad man to have, and more power than a good man would want." This commonsense philosophy should have been applied to the proposed Trade Reform Act of 1973.

#### C. ADJUSTMENT ASSISTANCE

Let us turn now to those provisions in title II of the bill which authorize so-called adjustment assistance.

It is unfortunate that we have to use everyday language to convey thoughts. I say this because, in the political arena particularly, words are purposely used ambiguously so as to cause confusion. We may agree upon words, but it does not follow that we are agreeing on their substance. The same word can mean many different things to many different people.

To be really meaningful the term "adjustment assistance" should be used in a broad national sense. This means that if imports displace workers or firms, the Government should assist those workers and firms in adjusting to endeavors that can stand up in the face of foreign competition. "Adjustment assistance" should not be used narrowly to mean that the Government should enable workers and firms to remain in their present lines of activity regardless of cost. If the latter is meant, "adjustment assistance" is no better than erecting trade barriers.

The purpose of "adjustment assistance" should be to enable firms and workers to transfer from producing commodities which cannot compete with lower cost imports to those that can. This does not mean, of course, that a given firm or group of workers should not try to reduce costs by improving efficiency. The most logical adjustment is that which eliminates excessively high-cost units of production, thereby enabling the remaining firms to operate at lower cost and to sell at lower prices.

The Foreign Economic Policy Subcommittee of the House Foreign Affairs Committee, in a report issued last August, concluded that:

In order to strengthen and solidify our domestic economy and our foreign economic policy, adjustment assistance should have the primary claim on policy attention as a far less disruptive alternative to import restrictions.

In October 1972 I cosponsored a bill which encompassed most of the recommendations of this subcommittee of which I am a member. On February 28, 1973, I resubmitted the Trade Adjustment Assistance Organization Act in the hope that it would comply with the subcommittee's consensus that what is needed are practical and timely adjustment mechanisms to respond to trade-induced unemployment in noncompetitive industries on a national basis. The type of adjustment envisioned in this act means either that present operations are made more efficient or that firms and workers transfer to different lines of activity.

Unfortunately, the term "adjustment" seems to be used narrowly in H.R. 10710. This conclusion is borne out by such phrases in the accompanying report as:

It is necessary to prevent domestic producers from disruptive market penetration



and unfair trade practices if our domestic producing interests are to have confidence in their ability to survive competitively in the United States.

And, in discussing the need for safeguards, the report states that:

Measures are needed to assure that producing entities in the U.S. are able to compete on the basis of equity and mutually applicable standards of fair trade.

Thus, the tone of the Trade Reform Act of 1973 clearly implies that "adjustment assistance" means that industries, firms, and workers shall be untouched by import competition. There is no indication in this measure that there should be adjustment in any fundamental sense.

#### NEEDED IMPROVEMENTS IN TRADE REFORM ACT OF 1973

My major criticism of the proposed Trade Reform Act is that it does not clearly state the objective of the United States with respect to international trade. If it were in my power to do so, I would amend the bill by adding a trade policy title. This section would contain a ringing declaration that the objective of the United States is to convince other countries that they should join us in removing all barriers to international trade, including tariffs, import quotas, and other trade restrictive devices.

The language in this title then would direct the President to enter into trade agreements with other countries, individually or by groups or with all countries together, multilaterally, in a major effort to move toward free trade. It would state further that it is the hope of the United States that the responses to such initiative will result in substantial worldwide free trade by the year 2000.

Even though the ensuing sections authorize the President to increase U.S. trade barriers as a defense against countries that do not treat our commerce fairly, a trade policy provisions clearly would have subordinated this authority to the bill's major purpose which is to obtain agreement among as many countries as possible that they will dismantle their trade barriers. Notwithstanding the fact that the President's power to increase trade barriers would be greater than his power to reduce them, I would have preferred to have it clearly stated that the thrust of the act is to tear down trade barriers, while the power to retaliate is to be used sparingly and only when absolutely necessary.

#### CONCLUSION

Unfortunately, the procedures of the House under which the trade bill is being considered do not permit the offering of such an amendment. Rather, the measure is being debated under a "modified closed rule." This means that the bill, with the exception of titles IV and V, has to be accepted or rejected in toto with no other amendments from the floor permitted. Politically, this is a device to prevent the introduction of protectionist amendments.

The realism which we face, therefore, is that the bill has to be considered in light of the current political situation. Waiting in the wings, so to speak, is the Burke-Hartke bill, the protectionist al-

ternative to the Trade Reform Act. That measure, if adopted, would establish a comprehensive system of import quotas which would constitute a determined retrogression toward protectionism.

If the trade reform bill does not pass today, it is almost certain that Burke-Hartke, or something akin to it, would then be approved by the House of Representatives. In this event, the die would be cast; the United States would move backward toward rigid protectionism and economic depression.

And if both the Trade Reform Act in its present unhappy form and the Burke-Hartke bill were rejected, the President of the United States would remain powerless to negotiate trade agreements with other countries in any comprehensive manner.

So then, how should a liberal-minded Member of Congress vote today? Should he vote against the Trade Reform Act, thereby increasing the likelihood that Burke-Hartke would follow? Or, should he vote for the Trade Reform Act, while praying that the President of the United States will show enlightenment in its administration by deciding to do all in his power to facilitate free trade, rather than move backward toward restrictions?

I, for one, will do the latter—vote for the Trade Reform bill and then pray.

Mr. SCHNEEBELI. Mr. Chairman, at this point I yield 10 minutes to the "Sledge Hammer," the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I am somewhat amused at the sledge hammer reference to a sweet and reasonable fellow like me. I want to reason with the Members sweetly at this point because I feel that we do have to address some of the issues that have been brought up in the course of this debate, as full of sound and fury as it has been.

This is the Trade Reform Act of 1973. It is just what its name implies, relating to the reform of our trading arrangements.

Whenever we reform anything, be it tax reform or welfare reform, we come face to face with a number of myths. The trade area is no exception as far as myths are concerned. Many of them have been referred to here on the floor. I would like to analyze some of these myths and try to deal with them factually.

The first myth I want to deal with is that we should fear trade negotiations. There has been a great deal of concern about America's position in world trade as an unfair position, and reference has been made to the extent to which our goods are discriminated against. Frankly, we should fear continuing the status quo. If we want to change things, if we are not satisfied with the way things are, we should want to give to our negotiators the opportunity to work to create a more rational order of world trade. We will be exporting jobs by default unless we negotiate and bring about new trading relationships.

Whether we like it or not, the multinational corporation is a fact in the world today and 60 percent of the multinationals are American. Unless we have the right to trade from this country without

fear of discrimination against goods originating here it is inevitable that there will be increasing trade through foreign subsidiaries of American companies firmly ensconced on the European Continent and in the developing world and quite able to take advantage of obstacles to trade which may work against goods originating on the American Continent.

So one of the myths is that by negotiating we are going to export American jobs. In fact we are trying to avoid that happening through trade reform, for which the bill provides.

The second myth I would like to mention is not necessarily consistent with the first: That we no longer need negotiations with the change in the balance of trade. It has been pointed out that our balance of trade has changed this year at least partly as a result of the devaluation of our dollar and partly also as a result of the combination of controls in this country and higher prices abroad. It is easier for our people to make more money selling abroad than they can here under these current crazy economic controls. In fact one swallow does not make a spring and the fact that during the end of this year we have had a turnaround in our balance of trade does not mean that there is not a substantial advantage to us in trying to make a more rational pattern of trade for the long term, reducing obstacles to trade and the discrimination that affects the trade of our country as we drift toward economic nationalism without these negotiations.

The third myth I want to talk about is that we should not concern ourselves with trade at all since it constitutes only about 5 percent of our gross national product. There are many people who say we could live on our fat with our \$1.3 trillion economy. We do not have to worry about trade, the argument goes. It is a very modest part of our total prosperity.

We do have a very high economic base in this country. We have a dynamic system; but my friends, I want to tell you that the future is going to see the development of foreign markets at a greater rate than the American market, simply because we already have such an advanced base. We are all aware of the fact that the developing countries are developing fast and becoming more prosperous. There are great opportunities in this country for a vigorous American competition. We should not cut ourselves out of that by a negative attitude on trade.

The fourth myth I want to deal with is that imports have a greater impact on jobs than exports. Imports do have an impact on jobs. That is the reason we have the adjustment assistance program. It is extremely liberal in this bill; so that those affected by imports will not have to carry the full burden of the benefits of a liberal trade.

But exports also have a major impact on jobs. Certainly they do in my home city of Rochester, N.Y. Certainly they do in large parts of this country.

Those who say that unemployment is the inevitable result of trade outreach are ignoring the fact that in 1953 we had 61.1 million jobs; in 1972, 81.7 million jobs. Something good has been happen-

ing during this period of time, or this economy would not have been able to generate such a tremendous increase in the job market.

The fifth myth, that we are so blameless in trade ourselves, that we have nothing to negotiate about, that we would have to give away concessions that would cut into the muscle of the American trade in order to get concessions from our more discriminatory foreign trade partners. I happen to be one of those who thinks we are more sinned against than sinning in trade; but let me say that we are by no means blameless. We have a number of nontariff barriers of our own—in marketing agreements, quotas, sanitation requirements, buy-American provisions, and things of this sort on both State and National level. Generally our tariffs are slightly higher than those on the European Continent, following the Kennedy round. There are many areas in which mutual concessions are possible and should be sought.

A sixth myth about this bill in particular is that we are giving the President a blank check. In fact, the central issue the Committee on Ways and Means struggled with was the issue of balance and how much discretion we should give the President, realizing that the initiating force in this aspect of foreign policy lies with the Congress. We have set up an elaborate system of congressional review and veto to be sure that Congress has throughout the process a major input into negotiations about the interests that inevitably concern our constituents. Our role, provided by this bill, prevents a blank check to the President and insures extensive congressional reviews and consultation.

Another myth is that free trade is a liberal position. I say to my conservative friends who think the conservative thing is to be against trade outreach, they are opting for a paternalistic government. You are voting for government control if you want the Government to protect American industry from competition. Competition is the cutting edge of American initiative. We are quite capable of competing in the world, using American knowhow and the tremendous resources that our fathers have given us. If we sit back on our haunches and say, "Protect us, protect us," we certainly are not expressing great confidence in the effectiveness of our system.

I hope our conservative friends will understand that competition, whether it be foreign or domestic competition, is also one of the major things that is keeping prices down in this country. Our incomes policy has not been all that effective.

So, I say to the Members who are conservatives, please understand that they are not taking necessarily a conservative position if they opt for Government protection of industry and a larger Government role to minimize foreign trade instead of the competition that we all believe in.

The last myth I want to mention is the myth that Russia will do anything to get American trade. Frankly, we are one of the only countries in the world—perhaps China is an exception—that does not permit trade with Russia on a non-

discriminatory basis. The Russians, quite obviously, want to normalize their relations with the United States to a greater extent. Trade is a neutral vehicle of contact, and it is not going to be of significance unless it is to mutual advantage.

The Russians obviously are concerned about the repetitive pattern of confrontation that I think concerns every person in this Chamber, and so they are anxious to normalize trade relations.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. CONABLE. However, the Russians will be able to trade with American industries located as subsidiaries in Europe if they cannot trade with America directly. They will be able to trade with all the other Western allies who do not have discriminatory treatment of the Russians as part of their trade policy, and it seems to me inevitable then that somehow Russia will make out whether she has the opportunity to trade on a nondiscriminatory basis with American-sited industries or not. I question whether the Russians will go to the extent of changing their entire system to take advantage of trade.

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

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

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding. I take it the gentleman is a supporter of NATO and has been over the years?

I quote from the study that was prepared by the Center for Strategic and International Studies. It says:

The Russian assertion of support for détente in Europe is believed by those governments to be a means toward Moscow's ultimate aim of destroying the NATO alliance.

I also ask the gentleman a question in re the People's Republic of China. Does he say that most favored nation status should perhaps be given to the People's Republic of China, as well?

Mr. CONABLE. Mr. Chairman, I think there is no reason why we should not have the option of moving at least to increase our trade with China. I think it is going to be difficult and is not going to amount to as much as many people would hope, but—

Mr. WOLFF. We can look forward to that as a step toward progress giving assistance to our adversaries, I take it?

Mr. CONABLE. Well, I think the opportunity can be progress. Of course, it has to be carefully done.

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

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

Mr. HAYS. Mr. Chairman, the gentleman is telling how nice it would be to have trade with the Russians, and to a degree I can agree with him, but would he tell us how helpful they have been lately with the Arabs? They want trade on the one hand, but stir up all the trouble they can on the other.

Mr. CONABLE. I do not maintain Russia is a great friend of the United

States. However, I do want to have contact with the Russians on some other level than military and political. I would like to see the Russians have a vested interest in peace and cooperation instead of continuing to be isolated to whatever extent American policy can isolate it. I deplore the repetitive pattern of confrontation that we all know.

Mr. SCHNEEBELI. Mr. Chairman, I have no further requests for time at this moment.

Mr. ULLMAN. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. CORMAN), a member of the committee.

Mr. CORMAN. Mr. Chairman, almost everything that can be said about this bill has been said; about the state of the world and the state of our problems at home.

It is apparent that the world is in a state of transition.

For more than a generation, we have shared with the rest of the world our bounty in aid, and we hoped for a long time that this aid could be converted to trade. I think we are on the threshold of that conversion.

The developing nations are creating for themselves an industrial capacity, thus developing both the capacity to consume and to become customers of other nations.

Other areas of transition are evident also. Perhaps the most important single one concerns the Common Market, with its very substantial growth in membership; its wealth, and its role in world trade. The Market now rivals us in size and in productivity.

Japan, of course, is a strong force, having become a significant competitor of the United States in world trade.

Mr. Chairman, the effect upon the U.S. of these two competitors will certainly not diminish. They will continue to negotiate with each other to rearrange their trade patterns and to compete for new customers wherever they can be found. We must be at that bargaining table, too, with some kind of reasonable authority to negotiate in our own interest.

Another area in transition is our own industry. How can we provide the great bounty of consumer goods we need? A century ago it took 80 percent of the laboring force in this country, just to produce our food and fiber.

Today it only takes 5 or 6 percent, maybe less. That does not mean that the other 70 or 75 percent of the people are unemployed. Through the years, other kinds of employment have become available.

Today, because of automation, there is a rapid disappearance of low-skilled jobs. We can do things better through technology than we can through the sweat of our brow. It will soon take only a handful of people to man our factories.

There is nothing wrong with that. It is good. There is no reason to condemn a substantial portion of the people in this country to drudgery labor. It does not mean that they need to be unemployed; it means that they can turn their talents and abilities to something more constructive than tightening a nut on a bolt.

If we did not trade with other nations,



if we closed our harbors tomorrow, we would still continue to automate our industries. Low-skilled jobs would disappear, and we would be faced with the problem of providing for their economic needs during the time it takes for retraining and reemployment.

It is not trade that is causing the loss of jobs; it is automation. In the long run, that is good.

There were some alternative proposals to the bill of the Committee on Ways and Means. The principal one was the Burke-Hartke bill, which among other provisions, would have set up a series of restrictive quotas. Quotas lend themselves to monopoly. They lend themselves to price fixing, and they lend themselves to high-handedness and chicanery on the part of the bureaucrats who administer them. Quotas, in my judgment, are the worst possible way for us to attempt to regulate trade in a free economy.

If we want to recall some of the problems we have had with quotas, we can remember what happened to the price of beef and the availability of petroleum, after fixing import quotas on those two items alone.

Mr. Chairman, I respect very much the gentleman from Pennsylvania. As much as any Member in the House, I share with him the concerns of the laboring people in this country. But I would say to the gentleman that honest men, with common objectives, can look at the same set of facts and reach different conclusions. I have reached one which is substantially different from his.

The gentleman expresses concern about the fact that he has not enough personal wealth to come to my district and tell my constituents how I voted on trade legislation. I assure him that I will tell the folks in my district how I voted on this bill and why.

Let us look for a moment at H.R. 10710 and why it should be passed today.

International trade negotiations are now going on. During the next 2 or 3 years, I suspect there will be an almost complete reordering of the way various major trading partners will handle their international trade.

If we pass this bill today, there will be much time consuming work before the bill becomes law. The Senate must act. It will undoubtedly go to conference, and then there is the very troublesome problem of a possible Presidential veto. These are difficulties to be faced next year. Certainly, we can begin to solve these difficulties by passing the bill today in the House.

Mr. Chairman, in considering the bill the Committee on Ways and Means was seriously challenged to find a way to give the President sufficient authority to negotiate and yet protect American business and American labor from what could be bureaucratic high-handedness or favoritism. Now, there is always the threat of that in the best of administrations. I am not standing before you today to tell you we have the best administration we have ever had.

Mr. Chairman, I would like to answer those who have expressed concern that this bill grants the President too much authority. Nothing could be further from the truth. This bill will give the Congress

a greater voice in the development of trade policy than ever before.

In just one aspect of the bill's provisions, that of congressional disapproval procedures, the bill returns to Congress some of the power it has lost over the years.

Actions the President takes under the first four titles of the bill are subject to the disapproval procedures. Thus, whenever the President negotiates a nontariff barrier agreement under the bill, that agreement and its implementation would be subject to congressional veto. Under title II, when the President departs from the congressional guidelines in imposing import quotas, his action is subject to disapproval by the Congress. Whenever the President retaliates against unfair or discriminatory practices abroad by restricting imports, that action also can be vetoed. Finally, the President's action to extend nondiscriminatory treatment to Communist countries or to continue such treatment can also be vetoed by the Congress. Thus, quite aside from the consultative procedures required by the bill, the congressional disapproval procedures will assure Congress its rightful role in international trade policy.

The mechanism of congressional veto is relatively new; I doubt it will be used very often; yet I think it will be an effective check on this administration.

The bill is a good balance. It will lead to expansion of both exports and imports, and that is good.

Mr. Chairman, I urge support of H.R. 10710.

Mr. SCHNEEBELI. Mr. Chairman, this is positive and progressive legislation, and it is necessary for the progress of this country. I recommend to my colleagues that we vote positively on this bill.

I yield back the balance of my time.

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

Mr. Chairman, this bill has been carefully worked out by the committee; it is a responsible bill. All of the controversies that have been before the Congress and the Nation appeared in the committee, and we fought the battle and came out with solutions that are sound and responsible. This bill protects U.S. industry. There has been mention of the steel industry, and there are special provisions that will take care of steel imports in those cases where foreign government ownership of steel plants cause problems for our industry plants. Under the Waggoner amendment it gives the President direct authority to take action to protect the industries adversely affected by subsidized exports to the United States.

With respect to the countervailing duties, we were under a great deal of pressure to assure domestic producers the right of judicial review. That is provided in their bill here. On the antidumping provisions there will continue to be the right to judicial review also.

This bill starts a new procedure of congressional surveillance which I think is tremendously important.

There are four different veto procedures that will allow Congress to work its will. If we fail to pass this bill I think we are on the road to disaster. Protec-

tionism and isolationism in the world in which we are living is the road to disaster. This is not an easy vote; it is a tough vote but it is a right vote. It is a right vote for the Members and it is a right vote for this country in this crucial stage of history. This is the road to economic growth; this is the road to jobs and this is the road to peace.

Thank you, Mr. Chairman.

Mr. BIESTER. Mr. Chairman, I rise in support of title V of the trade reform bill.

Title V provides authority for the President to grant generalized tariff preferences to developing countries on the imports of semimanufactures, manufactures, and other select products. While the President is given rather broad discretion in determining the eligibility of those nations qualified to receive duty-free treatment, factors which he is required to weigh include the country's level of economic development, its MFN standing and its preferential trade status with other nations. Articles eligible for preference are so determined only after the Tariff Commission has submitted its advice and other agencies and individuals have had the opportunity to make known their views. Certain items including watches, textiles, shoes, and specified steel products are not eligible for preferential treatment. Furthermore, an article exported from an individual developing nation will lose its tariff preference if more than \$25 million worth of that article is imported annually by the United States from that source or if imports of that commodity from an individual developing nation constitutes 50 percent or more of U.S. imports of that article. Thus, American industry and its workers are protected from imports and import levels which could cripple domestic industries.

U.S. policy and congressional sentiment acknowledges that the developing nations must display initiative and determination to solve their own economic and social problems if they expect to receive U.S. aid and assistance. This attitude is reflected in the Mutual Development and Cooperation Act now approved by Congress. While development assistance will continue to play a critical role in and have a considerable impact on the developing nations, trade offers a promising vehicle through which these nations can most meaningfully and realistically acquire a greater degree of self-assurance and economic independence.

Much of the developing nations' exports to this country is admitted duty-free under MFN status and thus falls outside the scope of any generalized preferential tariff system. Furthermore, preferences do not cover all dutiable items since some have been excluded to protect domestic markets. Therefore, while the amount of trade subject to the generalized system of preferences is not extensive, that which is should be liberalized in order to provide developing nations with the additional markets critical for realizing their development goals.

These nations represent a substantial and growing market for American goods. At present, developing countries purchase approximately 30 percent of our exports valued at about \$15 billion. These

exports have doubled within the past 10 years and have contributed trade surpluses to our balance-of-payments picture. About one-half of all developing nations' trade in manufactured goods is conducted with the United States. If we expect to maintain or improve on this—and I feel strongly that we must—we will have to make the kinds of concessions and mutually beneficial agreements that will enable us to be competitive with the European nations and Japan.

Export sales provide foreign currency to developing nations—80 percent of their total—which increases their buying power on the world market. Their demand for manufactured products from the industrialized nations means more jobs for workers and a brighter economic picture for those nations which can and are willing to provide those goods and which have demonstrated a cooperative attitude in mutual trading relationships. The fact that certain European nations have special preferential trading agreements with many of the developing nations will not be much of an incentive to the developing nations to "buy American".

As a member of the Foreign Affairs Committee, I have had the opportunity to confer, both here and abroad, with many representatives of developing nations. Their attitude, shared virtually unanimously, reflects an earnest desire for expanded trade opportunities with this country. If we turn our backs on the possibility of increased trade at the same time all other industrialized nations have adopted GSP—and they all have—then we cannot criticize or fault the developing nations for the trading policies they consequently adopt.

Recent worldwide grain shortages and the petroleum cutoffs have graphically and dramatically served to illustrate the growing economic interdependence of the world community. We, along with practically every other nation, have come increasingly to rely upon an ever decreasing supply of scarce resources, agricultural and mineral alike. The developing nations possess stores of critical resources, our access to which will depend upon the relationships we foster with them. Nigeria, for instance, is a leading world supplier of petroleum. As a dynamic and influential African nation, Nigeria is stepping up its demand for the kinds of manufactured and agricultural goods the United States can supply. There is little doubt in my mind that if Nigeria can obtain better terms elsewhere on that which it imports, its exports—including petroleum—can just as easily go elsewhere as well. Such action, if it occurred, should not be unexpected or looked upon as politically motivated or retributive; it simply makes good business sense and we would do the same under the circumstances.

Today, we have the opportunity to approve a provision which opens the door to greater trade opportunities for U.S. business and industry, a system of generalized trade preferences which will be an entree into maturing markets, a good-faith application of an attitude which can assure our access to essential and scarce raw materials. If we deny to the

developing nations GSP—which every other industrialized nation has extended them, which is mutually beneficial to them and to us, which is a logical expression and extension of the friendship and concern we have historically demonstrated—they will consider a denial of GSP an incomprehensible affront to their determined efforts to achieve and succeed.

Mr. Chairman, I strongly urge the House to support retention of title V.

Mr. CULVER. Mr. Chairman, I commend the Committee on Ways and Means for its long and arduous deliberations on the trade bill.

The committee's bill represents a needed departure in U.S. trade policy. For the first time under the bill's provisions our negotiators would have authority to deal forthrightly and directly with unfair and unjustifiable trade policies of other countries. The committee's bill provides ample negotiating authority in the area of tariff and non-tariff barriers and also, for the first time, provides a credible system of safeguards to protect U.S. workers and domestic industries from injurious import competition.

The committee has wisely restricted Executive discretion as well as provided detailed procedures that should assure adequate and responsible Congressional participation in, and oversight of, the national trade agreements program. Similar procedural safeguards have been provided to assure that consumers and importers, as well as domestic producers and workers, have the opportunity to make their views known on particular trade policy issues before the administration acts. This act is balanced and realistic and addresses itself to the principal issues which confront the United States in the international economic scene.

I am particularly gratified that the committee rejected the administration's original proposal to substitute a somewhat improved unemployment insurance program for a special program of adjustment assistance for workers and firms injured by increased import competition. I wish the committee had gone further than it did in this area.

The Subcommittee on Foreign Economic Policy, which I chair, last year made an exhaustive study of adjustment assistance in the hopes that our findings would be of value to the Committee on Ways and Means and to the House membership when it focused its attention on trade policy. To a large extent, the conclusions reflected in the adjustment assistance provisions of H.R. 10710 and those reached by the subcommittee in its report are in substantial agreement. Adjustment assistance is to be preferred as the least costly policy alternative for dealing with injury resulting from import competition. This important point is often ignored or disputed because the costs of adjustment assistance are visible as a budgetary expenditure, while the vastly greater costs of import restrictions are hidden in the higher costs consumers and producers must pay for goods subject to tariffs and quotas.

Mr. Chairman, the committee bill totally overhauls and streamlines the current adjustment assistance program's

petitioning and certification procedures and centralizes responsibility for these functions in the Secretary of Labor and Commerce respectively for worker and firms. Further, the qualifying criteria for groups of workers, individuals, and firms have been eased to guarantee reasonable access to the program and to facilitate rapid delivery of program benefits. These reforms are critical to the future success of the program; without them there would be little reason to provide adjustment benefits, since they would not be deliverable in time to be of assistance to workers.

The package of benefits has also been improved. Cash trade readjustment allowances have been increased. The maximum allowance payable has been increased substantially from 65 percent of the average weekly wage in manufacturing to 100 percent of that figure. If the new ceiling were in effect today, an unemployed trade-displaced worker could receive up to \$155 a week compared to the \$101 weekly maximum the present program provides. Allowance increases for workers making less than the average weekly wage are less generous—70 percent of the average wage for the worker's first 26 weeks of unemployment and 65 percent for subsequent weeks as compared to 65 percent for all weeks in the current program.

Unfortunately, the bill improves only marginally the manpower and employment services provisions of the Trade Expansion Act. These have not been effective. Adequate funding for these services was not provided and frequently a worker's eligibility for program allowances terminated before placement in suitable training was possible. Training is a valuable adjustment aid that has proven its effectiveness in enhancing both the employability and productivity of workers. I hope the funding authorization for the manpower bill we recently passed will prove to have adequate provision for trade impacted workers or that the Secretary of Labor undertakes to provide funds specifically for services to such workers.

The relocation provisions of the bill are an improvement over the present program. Access to relocation benefits is not restricted and workers may receive job search allowances as well as relocation allowances and expenses.

As I stated earlier, the program of adjustment assistance in this bill does not go far enough, but it represents a measurable improvement over the existing program, and I can support it.

This country lacks a national manpower and industrial policy. The social and human costs of rapid technological change, changing trade patterns, changing energy requirements and resources, and other inherent dynamics of our economy make it imperative that we deal systematically with our manpower and industrial problems. This point was made by the President's Commission on International Trade and Investment Policy and by the Subcommittee on Foreign Economic Policy. The concerns being voiced by labor and management in adversely affected sectors of our economy are real concerns which must be confronted if we are to maintain our



preeminence as a responsible world power.

In the report of the Subcommittee on Foreign Economic Policy we stated that:

With the imminence of new multilateral trade negotiations, it is all the more timely to provide a workable trade adjustment assistance program, which can also serve as a demonstration model for a national manpower and industrial program. Moreover, a strong trade adjustment assistance program will strengthen our position in international economic negotiations as well as fulfill our responsibilities to our domestic economy.

I support H.R. 10710. It is far-reaching legislation that should be enacted in the national interest. I support the re-vamping of the adjustment assistance policy in the bill, and have confidence that it serves as a workable point of departure from which further improvements can be made as it proves itself to be a viable alternative to unwieldy and costly import restricting measures.

Mr. FASCELL. Mr. Chairman, if we are to have a multilateral trade negotiation with any hope of accomplishing the ambitious objectives we have set out for this one—the so-called Tokyo round—the developing countries of the world must participate in it.

What is it we are trying to achieve for the United States in these talks?

Are we trying to open up new markets for U.S. exports, which still today represent a marginal 4 percent of our gross national product?

Are we trying to break down unfair and illegal barriers to U.S. exports—such practices as preferential tariff arrangements—which favor the exports of our developed country competitors in third world markets?

Are we trying to win fairer access to the markets of other industrialized countries?

Are we trying to create new demand for our exports in the developing countries by helping them help themselves to industrialize and diversify, so that they can better earn the foreign exchange to pay for imports from the United States?

Are we trying to assure dependable sources of supply for our increasing need for strategic raw materials?

Are we serious about trying to improve our credibility abroad and redeem commitments made over the last three administrations?

I believe we are trying to achieve all these objectives and if we are serious about accomplishing them, then we will need the fullest support of the developing countries in the forthcoming trade talks.

For many reasons the developing countries will be playing a significantly greater role in the multilateral trade negotiations than ever before. The so-called group of 77 developing countries which helped to create the United Nations Conference on Trade and Development (UNCTAD) is now actually 96 in number. In the 83-member General Agreement on Tariffs and Trade (GATT), almost two-thirds—53—are developing countries. If one adds the 16 countries, all developing, which have provisionally acceded to GATT or are considering it, the ratio is closer to 5 to 1—83 percent. These countries have ob-

viously become an important force, not only as individual nations, but also as a combined group.

For years we have heard charges that the "have" countries of the world are doing too little to try to facilitate a greater role for the "have nots" in the politics of the world economy.

Now we need the voices of the developing countries in the councils of international monetary and economic affairs. We need them because their own increasing importance and numbers make it impossible to have effective reform of world systems without them; we need them because in international forums such as GATT which are structured on a one-country/one-vote basis their votes carry a lot of weight. We also are witnessing a dramatic demonstration of our own increasing dependence on developing countries for certain raw materials of which they are important suppliers.

If we are to achieve the more open and less discriminatory world trading order we seek, we must count on the support of at least some of the developing countries in order to achieve a better balance in a truly international reform of the rules of trade. The forthcoming talks are not, and must not be seen as, simply a confrontation between the United States and the European Community and Japan.

We have similar or common trading problems with many of the developing nations. For example, even though we are the largest industrial Nation in the world we still share a strong identity with many developing countries as an exporter of certain types of agricultural products. We share with the many developing countries the damage to our trade that is caused by artificial non-tariff barriers and preferential trading arrangements. Trade preferences now extended by Europe to the Mediterranean and African developing countries favor these countries over others—in fact, they discriminate against others in a way which prevents diversification of economic relations for those who are not members.

We have, in fact, already begun to see the importance of this commonality of interest with the developing nations in the preliminary negotiations of the current round of talks. In Geneva, the developing countries have already stood with the United States on key procedural questions under consideration.

Further, we need the developing countries both as a market and as a source of supply. As the Secretary of the Treasury testified recently, the developing countries provided a \$14.6 billion market in 1972 for U.S. goods and services. In fact, as a group, they purchase more from us than we do from them. Perhaps more important, they provide us with one-third of our raw materials imports, and that proportion will only grow in the future. The United States is, in fact, already dependent on other nations for more than 50 percent of our supplies of 6 out of 13 major raw materials required by our industries and this dependence is expected to grow sharply in the years ahead.

The system of generalized preferences which the trade bill grants authority to offer is only one of the factors which

should be taken into account in this effort to involve the less developed world more meaningful in the broadest possible trade talks. But it is an important factor, and as our trade negotiators have testified, possibly a *sine qua non*.

Now, I must add here that this system of generalized preferences is no "free ride." The use of the authority is subject to numerous checks and balances. Its basic limitations and restrictions are these:

A "competitive need" formula under which, unless waived by the President—a beneficiary would automatically lose its eligibility for GSP on any article which the President determines it has supplied 50 percent of total U.S. imports of that article, or a total value of the article in excess of \$25 million a year over "a representative period."

An "eligible article" must be one which meets these tests:

First, it must have been so designated after a Tariff Commission investigation of the probable effects on domestic producers of like or directly competitive articles, public hearings, and the advice of interested departments and persons;

Second, it must be imported directly from a beneficiary and whose total value or value added is substantially attributable—a minimum of 35 to 50 percent—to the direct costs of materials or processing in that beneficiary; and

Third, it must not be subject to an escape-clause or national security clause action.

A "beneficiary developing country" must be one which meets these tests:

First, it must be so designated by the President after taking into account a long list of considerations, including the expressed desire of the beneficiary to be so designated; the level of economic development of the beneficiary; whether or not other major developed countries are extending generalized tariff preferences to such beneficiary; and whether or not such country has taken U.S. property without provision for prompt, adequate, and effective compensation.

Second, it must receive MFN equal tariff treatment; and

Third, it must not grant reverse preferences, or, if it does, it must give satisfactory assurances such preferences will be eliminated by the end of 1975.

In extending duty-free preferential treatment, the President must take into account in addition to the considerations listed above, the extent to which other major developed countries are "undertaking a comparable effort" to assist beneficiary developing countries.

All other major industrialized nations with the exception of Canada maintain some type of trade preference for the developing countries.

Our proposed system, while comparing favorably to others, will have a quite limited impact on U.S. imports.

In 1971, U.S. imports of products which could be declared eligible for generalized preferences totaled \$2.7 billion. The competitive need formula eliminates preferences on \$1.2 billion or 43 percent of this amount. The \$25 million rule alone would exclude \$946 million or 35 percent of total eligible imports while the 50 per-

cent rule alone would exclude \$288 million or 11 percent. This leaves a total estimated trade coverage based on 1971 figures, of only \$1.5 billion.

Nor can the preference plan be said to benefit products manufactured by so-called "runaway" U.S. plants in certain areas abroad. The countries most affected, in terms of the absolute value of otherwise eligible imports excluded, would be Hong Kong, Taiwan, Korea, and Mexico in that order. In fact, there has been some criticism that the "competitive need" formula, which limits duty-free treatment to imports of less than 50 percent of the U.S. market or an annual rate of \$25 million over a representative period, favors the least developed of the developing countries. Frankly, this proposal is designed to favor the lesser developed nations, an objective which is shared by many other industrialized countries and by many of the developing countries themselves. Tariff preferences should be used as an instrument to build competitiveness, particularly in the important manufacturing and semimanufacturing industrial sectors of the developing nations, and not as a crutch on which an exporting country should continue to rely beyond the point of relative competitiveness with the products of either the developed nations or those of the more advanced LDC's.

If we were to offer indiscriminate trade preferences to the exports of all developing countries, those developing countries which have already become highly competitive and need no artificial help would realize the bulk of the benefits. This is not the purpose of this plan; rather it is to enable the poorer and less competitive countries to earn their way more equitably.

Let me reemphasize the factors that underlie our need for a generalized system of preferences. The developing countries, especially including the Latin American nations, need export development and expansion of their manufactures and semimanufactures as a critical element in their economic development. The increased foreign exchange earnings of the developing countries will benefit our exports. We need their support and participation in our efforts to negotiate a freer and less discriminatory world trading system. In other words, we each have something to offer and something to request from the other. The returns to the United States from such a policy promise to be substantial. The trade preference proposal in this bill provides a bridge to connect our mutual objectives.

In sum, this is an idea whose time not only has come, but which is long overdue. Title V of the Trade Reform Act of 1973 should be overwhelmingly endorsed and enacted without further delay.

In conclusion, as chairman of the Inter-American Affairs Subcommittee I would like to remark briefly on the importance this bill has for our hemisphere neighbors as an indication of our continuing willingness to work together for a better future.

On October 5, Secretary of State Henry Kissinger hosted a luncheon in New York for delegates to the United Nations

from Western Hemisphere countries. He issued an eloquent invitation to our neighbors to initiate a new dialog aimed at the creation of a renewed spirit of inter-American cooperation based on a careful joint review of all the issues which confront our nations. In response to Dr. Kissinger's invitation the foreign ministers from Latin America and the Caribbean met in Colombia from November 14 to 16 and issued a document setting forth their views as a basis for discussion with the United States at a meeting to be held with Dr. Kissinger in Mexico early next year. One of the central points raised in the statement of the foreign ministers, entitled "Bases for a New Dialog Between Latin America and the United States," concerns the "structure of international trade and the international monetary system." In that section the foreign ministers stress that:

The United States should urgently implement its general scheme of preferences and apply it without reciprocity or discrimination. Preferences now in effect should not be impaired during the multilateral trade negotiations; they should be expanded.

Clearly, the Congress has an opportunity today to respond to this request by the hemisphere foreign ministers and to provide our new Secretary of State with a tool he needs if he is to effectively use his considerable talents to restore to our inter-American relations the mutual confidence and respect which so long characterized them.

Mr. DENT. Mr. Chairman, yesterday we were told that the bill before us is not a perfect bill.

No one in this body can disagree with that. Indeed, should the bill be perfect, it would be the millenium.

But we were told in the next breath that the opponents of this bill represent only a narrow self-interest. And we were told that this narrow self-interest is in defiance of the national interest.

Mr. Chairman, it is hardly a secret that the AFL-CIO and the UAW are strongly against this bill.

But to try to discredit this opposition by the implication that it is against the national interest is the shoddiest of tactics, particularly to make the bill a matter of "politics" by AFL-CIO President George Meany.

The constituency of the AFL-CIO is 13.5 million working and taxpaying American citizens. They are interested in what kind of jobs they will have and what kind of standards of living this Nation is to have.

This bill goes directly to what kind of jobs Americans will have in the future, and what kind of standard of living this Nation will have.

Is that narrow self-interest?

This is not just a bill that affects 13.5 million members of the AFL-CIO. It affects all Americans. That is why the AFL-CIO is interested in it.

And for too many Americans, this bill raises the threat of increased imports which will affect their jobs and their standard of living. For too many Americans, this bill increases the threat that their jobs will be exported out from under them, or that the technology they have been depending on for a high stand-

ard of living will be sent abroad rather than remaining here and producing. For too many Americans, this bill raises the threat that the industry of America on which we have depended to take care of an expanding work force will be further eroded in the name of international trade.

Mr. Chairman, I do not deny that we need a trade bill. But we do need a trade bill that—as this one does—puts the interest of our trading partners ahead of the interests of the American worker and the American economy.

The charge was made that only a narrow self-interest group of steel, electrical, textile, and shoe workers, support this bill. This is surely not true. The AFL-CIO convention in October 1973, adopted unanimously a resolution opposing this bill, all strata of American workers were represented. The 13½ million AFL-CIO workers and their families represent a major part of our economy. They have a personal stake in this country and its economic future. The real "self-interest" in this legislation are the corporations, whose beneficiaries will collect their dividends and profits whether the factories are here or in Taiwan. The American worker has a self-interest in America, in a good livelihood, a high standard of living, and a strong economic future. If that is self-interest, then every American should plead guilty. It is unfortunate that an attempt is made to becloud the issue.

It is regrettable that remarks were made yesterday that would have been better left unsaid. Uncomplimentary aspersions were made about a man whose life has been spent in and on behalf of the American worker, both the organized and unorganized worker.

Mr. Meany deserves better treatment. When he favored the 1962 trade bill he was considered a patriot and broad minded statesman. Today, 10 years later, millions of jobs lost, industries closed down, business and enterprises moved to foreign shores to produce the goods and services once produced by better paid, better clothed, better housed workers, Mr. Meany keeping before him his lifetime goal, jobs and dignity for American workers, has voiced the wish of the workers and is opposing the monstrous fraud.

For this he is pictured a wily politician. It was said that he does not run for office as often as Congressmen do. The records show Mr. Meany runs every 2 years and has a constituency of 13,500,000 voters, covering the entire 50 States.

This, like many things said in the heat of debate, was not meant in the manner in which it was said. I disbelieve that any Member of Congress is unappreciative of his lifetime of service to his people, his organization, and his country.

Mr. Chairman, the voices raised most strenuously in behalf of the trade bill now being considered by the House come from U.S.-based multinationals.

They are for the bill, of course, because they have the most to gain from it.

One of the arguments for the multinationals in support of this bill is that by permitting them to expand abroad, it will result in the creating of employment here at home.



To support this claim, the multinationals depend partly on a set of statistics compiled by the Department of Commerce. These appear to show that the firms most active in foreign investment between the years 1966 and 1972 had a greater gain in employment in their U.S. facilities than did other corporations. The multinationals and their organizations also have studies which, not surprisingly, reach the same conclusion.

Then they make the claim that their foreign investment has created U.S. jobs.

This is a misleading bit of statistical trickery.

It can be true that those corporations which invested most heavily in foreign subsidiaries showed a greater gain in U.S. employment. But that does not make it true, as the multinationals would have everyone believe, that foreign investment is thus responsible for faster job growth at home.

Let's look more closely at the claim.

The multinationals examined by the Commerce Department are not just corporations which invest overseas. They include America's largest concerns which are the largest employers, the largest defense contractor, the largest recipients of Government contracts at all levels.

And significantly, they are the concerns most heavily engaged in mergers and acquisitions.

The unique character of these corporations was noted in a report to the Congress by the Tariff Commission early in 1973.

The multinational firms are neither minor employers nor a special case which can be analyzed independently of the national economy. They are the backbone of the demand side of the labor market, the firms which... have the biggest quantitative punch in terms of the number of people they hire.

The claims of net job creation by the multinationals are highly vulnerable. As well as being active in direct foreign investment, the multinational concerns were heavily engaged in domestic mergers and acquisitions. Subtract the employment additions from the claimed job growth, and a different picture emerges.

The Emergency Committee for American Trade claims from its own studies an employment growth among multinationals in the decade from 1960 to 1970 of 36.5 percent compared with an employment growth of 30.3 percent for all industries. But without the job additions to these concerns as a result of mergers and acquisitions, the multinationals growth is 21.6 percent—considerably less than the all-industries figure.

Mr. DE LUGO. Mr. Chairman, I am pleased to rise in support of the Trade Reform Act of 1973, and specifically to praise the outstanding work of our distinguished and learned colleague, AL ULLMAN. During his service as temporary chairman of the Ways and Means Committee, Congressman ULLMAN's unceasing efforts were responsible for drafting what I am sure will be one of the most important legislative documents of this decade. The American people are indeed fortunate that the Ways and Means Committee, which has such a predominant place in the Nation's economic destiny, is guided by the outstanding Chair-

man WILBUR MILLS, and the no less able ranking majority and minority members, AL ULLMAN and HERMAN SCHNEEBELI.

The opponents to this bill have suggested that because of its complexity and profound impact on such an essential facet of the Nation's commercial life, that action should be deferred for more settled times. However, it would take the most uninhibited optimist to predict that the future will be any less harried than the present. For the very reason that this is a difficult time in our national history the Congress cannot avoid making the important decisions, but to the contrary must reassert its position of leadership by enacting legislation such as this.

The ever growing interdependence of countries and regions on international trade as a means of assuring national viability is one of the great economic realities of the 20th century. If the United States is to maintain a position of leadership in this system of expanding world trade, it is vital that the President be given the new negotiating authority contained in the Trade Reform Act.

I am convinced that the unique and unprecedented congressional and public participation written into this bill provides adequate safeguards against any abuse of authority. In addition, the bill not only offers protection for workers and industry from possible harm caused by negotiated import increases, but in so doing improves present procedures for compensating injuries from foreign imports.

The extreme care with which the committee approached this legislation is demonstrated in the consideration given to our territories. As many of you are aware, products manufactured in the Virgin Islands and other insular possessions may enter the United States duty free provided that no more than 50 percent of their value is of foreign origin. The intent of Congress in passing this legislation has been fulfilled in that many new and important sources of employment have been attracted to the territories to take advantage of this provision. However, the Trade Reform Act gives the President authority to grant duty-free status to certain products from developing nations, and this in theory could have a devastating effect on the territories. Thus, I was enormously gratified that, acting upon my request, the committee has included in its report unequivocal qualification of this Presidential authority. The report states that the committee strongly believes that the products of U.S. insular possessions should under no circumstances be treated less favorably than those of foreign countries. Likewise, the committee stated that the President should consider the extent to which any duty-free treatment accorded a foreign state would affect the economic well-being and development of the insular possessions.

Mr. Chairman, I cite this example not only because of its importance to my constituents in the Virgin Islands, but also to show the extent of the thought and detail the committee has given to the preservation of important national interests.

Thank you very much.

Mr. CARNEY of Ohio. Mr. Chairman, I rise in opposition of the so-called "Trade Reform Act of 1973," H.R. 10710. I believe that the passage of this legislation would do serious damage to our standard of living, it would do serious damage to existing laws that protect our society, and it would do serious damage to the industrial backbone of our Nation.

Mr. Chairman, at the present time the American people have lost confidence in their President—yes, and even in their Government. The American people are literally begging the Congress to reassert its rightful powers under the Constitution. Yet, the bill before us today would further erode the power of Congress and place vast new powers in the hands of the President. These new powers would enable the President to negotiate agreements with foreign countries which would affect every area of our economy.

Mr. Chairman, the economy of the United States is fast becoming a service economy. American businesses are providing services to American consumers while goods for American consumers are being produced abroad. America cannot survive as a service economy.

Many traditional American industries now are located in foreign countries in order to take advantage of cheap labor and tax loopholes. Look at the number of foreign cars in the United States. Many of them are manufactured by American companies located abroad. Where are all the shoes being manufactured? Where do all the radios and televisions come from? Where have all the jobs gone? This bill does nothing about these problems.

Mr. Chairman, the fact is that American jobs and American technology are rapidly being exported overseas and this legislation would speed-up their departure. Furthermore, the assistance program for American workers who lose their jobs because of foreign imports or plant relocations abroad is totally inadequate.

At a time when our country is suffering from high unemployment, inflation, dollar devaluations, and trade deficits, the passage of this bill would do a great disservice to the American people. I urge that it be defeated.

Mr. BURLISON of Missouri. Mr. Chairman, I am voting against the President's trade bill for a number of reasons. One is that it seeks to regulate the internal affairs of another country. It is realized that the President is not to blame for this provision inserted in the bill.

Second, special trade concessions are made for so-called underdeveloped nations which merely will add to our foreign aid outlays which I oppose.

Another reason, perhaps most important, is that this bill will give far more power than should be given to this President. Even without this bill we saw just a few months ago how this administration looks upon our farmers when their interests are pitted against processors and/or consumers. The President placed an embargo on soybeans, thus reducing prices for farmers from \$12 to \$6 within a week's time. The administration came within a hair of doing the same thing

on cotton. All this in view of the fact that no other scarce commodity has been embargoed, nor has there been a serious threat to do so. There are numerous examples of commodities more scarce than soybeans or cotton that were permitted to remain free of export embargoes or controls, such as petrochemicals and other oil products, fertilizers.

This example of blatant discrimination constrains me to vote against this new grant of vast economic and trade powers to this President.

Mr. DOMINICK V. DANIELS. Mr. Chairman, there are many provisions of the trade bill now before us which have not been adequately explained so that their full ramifications are evident.

There are many provisions in the bill which grant special concessions to so-called "developing countries" which I believe, if more closely examined, are far more damaging to the U.S. economy than they are helpful to these countries.

Imports from these so-called developing countries are not inconsequential. From a figure of \$12.1 billion in the first 10 months of 1972, imports rose to a total of \$16.2 billion in the like period of 1973—an increase of 33.9 percent.

The developing countries which get favored treatment under the provisions of the administration's trade bill are not all poverty-stricken entities. Such nations as Taiwan, Singapore, and others—which presently have full-employment economies and sizable trade surpluses with America—are included.

What is disturbing that nowhere in the hundreds of pages and thousands of complex and confusing words of this bill is there any definition of a "developing country." We should at least be laying down some careful guidelines as to what are the conditions under which we will extend trade concessions to these nations.

Most of the nations currently in the category of developing countries have high tariffs and other barriers against U.S. goods. And title I of the administration trade bill would permit these nations to keep whatever barriers they have in negotiations.

Title V of the bill permits another concession. The President can remove all tariffs on imports of manufactured products from these developing countries. There are some restrictions on this authority, but the President can, as one of the many and extensive powers granted to him in this bill, decide that the "national interest" requires that he not apply these restrictions.

Thus, the bill creates a special atmosphere and a specially protected status for developing countries, many of which have low-wage economies.

Further, these provisions encourage United States-based multinationals to relocate production in these protected enclaves, at the expense of U.S. jobs and production, and shipgoods back into the United States under low-wage conditions.

Mr. LONG of Maryland. Mr. Chairman, I commend the distinguished Ways and Means Committee for its exemplary effort in the complex area of international trade. I especially commend the

committee for the reductions and restrictions it has made in the trade powers requested by the President. The provision that allows a veto by either House of Congress of any agreement to remove nontariff barriers is a model of congressional restraint of Executive power.

However, this congressional veto on agreements to remove nontariff barriers is not duplicated in three other areas in which the bill grants the President significant powers. These three other major powers are as follows:

First, power to impose import surcharges or quotas in case of balance of payments deficits;

Second, power to remove tariffs or quotas on imports to help control inflation; and

Third, power to lower tariffs or to raise them 50 percent above the 1934 Smoot-Hawley levels.

First, the President has authority under section 122 of the bill to impose import quotas and a maximum 15 percent import surcharge to help correct balance of payments deficits. Under this section, the President has a free hand for 150 days. After these 150 days, Congress must extend the authority for these actions or they will end. However, Congress should have the power to stop such actions before they are taken, not after they are a fait accompli. Under this section, representatives of inefficient industries would have 150 days in which to rally supporters who would benefit from protectionist measures.

Second, under section 123, the President may remove tariffs or quotas on imports to help control inflation. Again, Congress has no say for 150 days after which time Congress must extend these actions for them to continue. The only other restriction on the President's sweeping power under this section, other than the exception of certain articles, is that the removal of tariffs and quotas cannot apply to more than 30 percent of the total value of U.S. imports at the time the actions are taken. Whereas the principle of increased competition to control inflation is correct, the sweeping powers granted the President under this section for 150 days without any congressional limitation are disturbing.

Third, and most important, under section 101 the President has authority for 5 years to reduce or increase tariffs. His powers to reduce tariffs are moderate: tariffs of less than 5 percent may be eliminated; tariffs of 5 percent to 25 percent may be cut up to 60 percent; and tariffs over 25 percent may be cut up to 75 percent, but to a level of not less than 10 percent. However, the President's power to raise tariffs under this section is frightening. He may raise tariffs to 20 percent above the 1973 level or 50 percent above the 1934 Smoot-Hawley levels, whichever is higher. The 1934 tariff levels, set by the infamous Smoot-Hawley Act of 1930, prolonged and deepened the Great Depression by inducing foreign retaliation, shrinking exports, and increasing unemployment. And the President may raise or lower tariffs under this section without any congressional veto or check on his decisions. What assurance do we have that

this or another President will not raise tariffs to harmful levels, as well as use other protectionist powers provided by this bill, in a misguided attempt to protect domestic industry?

Nominally, of course, the purpose of this trade bill is to reduce tariffs and other trade barriers by providing the President with negotiating authority. But in fact, the bill grants the President enormous powers, that could be used to restrain as well as to increase trade, without adequate congressional limitations on these powers. Of the President's power to raise tariffs 50 percent above the Smoot-Hawley levels, there exists no possibility for congressional restraint.

I am a free trader and support efforts to reduce trade barriers in order to provide higher standards of living for all nations. However, this trade bill could just as well serve protectionist ends. Moreover, another principle is at stake here—the principle of checks and balances between the Executive and the Congress. I fear that this trade bill surrenders too much power to the President without adequate congressional limitations.

However, I shall reluctantly support the trade bill with these reservations and shall urge Congress to use all the powers it has to correct any excesses committed by the President, including the repeal of authority granted under this bill.

Mr. YATRON. Mr. Chairman, one of the most dangerous provisions of the administration's trade bill is the authority for the President to negotiate away present nontariff safeguards.

These safeguards in many cases take the form of laws on the books specifically passed and dealing with product safety, consumer protections, environmental standards, and other domestic safeguards.

Under the administration's bill, the President would be given authority to negotiate away these safeguards. Agreements concluded under this authority could wipe out not only Federal law, but also State and local law. The governing bodies would have to go back and pass these laws all over again—if indeed they were aware of what had been nullified.

The President would have to notify Congress 90 days in advance of his intent to enter negotiations on nontariff safeguards, and then would have to give Congress 90 days in which to veto the agreement. But in the danger is that these agreements could be packaged in such a complex manner as to make rational evaluation by the Congress impossible.

Mr. Chairman, there is enough confusion in this bill with respect to nontariff safeguards without subjecting the Congress to this further confusion.

Mr. GAYDOS. Mr. Chairman, when the administration sent us its Trade Reform Act of 1973 not so long ago, it was accompanied by assurances from many of the President's spokesmen that the sweeping powers it sought would be used to assure the United States a more even break for its products in the world market, and to help safeguard domestic in-



dustries and jobs. Our new trade policy, it was implied, would be geared to getting trade concessions from others rather than so freely giving as in the past.

But the more these same spokesmen talk, the more it seems the old habit of giving concessions with regard to trade rather than getting them is just too strong to break. Now that we have given almost every other nation in the world free and open access to the American market—which has resulted in a deluge of imports which have wiped out hundreds of thousands of jobs and meant the disappearance of countless industries—we seem all too eager to now open the barriers to the Soviet Union.

As evidence of this, listen to what J. Dapray Muir, Assistant Legal Adviser for Economic and Business Affairs in the State Department, had to say in a recent speech:

The importance of trade between the U.S. and the Soviet Union cannot be overemphasized; the Soviet Union is a reservoir of vast quantities of raw materials of interest to the U.S.; and its market potential for consumer type products and machines for making such products is immense . . . for these reasons, the nondiscriminatory tariff treatment for Russian products which is the precondition for the increased trade contemplated by the October Trade Agreement and which the President has, in his Trade Reform Act of 1973, requested Congress to enact, are of great importance.

Despite what Mr. Muir says, I believe that the importance of trade with the Soviet Union can be overemphasized—and I am afraid that that is just what we may be doing.

I believe that we, in the Congress, need to know a great deal more about what the United States is talking giving in terms of what we are getting before we rush to grant the Soviet Union the same tariff treatment we give other nations. We should be in no hurry to help the Soviets build up their economy if it is going to involve the deterioration of our own economy here at home. And if we hastily lower our barriers to the importation of cheaply made Soviet goods into this country, that is exactly what we are in danger of doing.

I think the Congress should be well aware of what stakes are involved with respect to what this administration has in mind concerning trade with the Soviet Union before it undertakes consideration of any trade bill.

Mr. BARRETT. Mr. Chairman, when all the technicalities in this proposed bill are boiled down, the simple result seems to be that the United States is the least-favored-nation in the proposals now before the Congress. When MFN and NTB and GATT and all the other alphabet soup of letters and trick phrases are examined, it looks as though the United States is left out of the considerations.

Let us look, first, at the term "most-favored-nation." We are told by the experts that this term merely means that countries which now do not have equal tariffs on their products into the United States will have the same tariffs as every other country. But that does not take into consideration that those countries

are so constituted—both in national and international terms—to protect their economies absolutely. Thus the Communist countries get equal rights with all other countries to have the same tariffs. But the United States does not have equal rights to sell in the markets of the Communist countries.

Let me give you just one example: The United States is expected to have a 10 million auto market this year—including imports. It does not matter where they come from? Is the United States going to sell automobiles to the countries which will get most-favored-nation treatment? No, the United States is going to sell the productive capacity to make automobiles with the newest equipment paid for by credits from the United States. That is the kind of bargain that says: You get what you want and I will take what you give me. Now, nobody believes that the Communist countries are going to sell their working people 10 million cars. But everyone believes that more cars will be imported into the United States. So, what happens? The wall against U.S. goods remains, but we have to give the other countries an "equal" chance to ship autos into the United States.

Published reports say that the trade between the United States and the Soviet Union will expand to \$3 billion this year—with or without most-favored-nation treatment. That is one prediction—recently in the *Journal of Commerce*.

But title IV and the least-favored-nation with the Communist countries is not the only problem in this bill. The United States is the least-favored nation in terms of GATT also. The GATT, according to this bill, should be revised. But any industry hurt by imports is not supposed to be helped under the GATT, in title II, because the old rules apply to U.S. industry while new rules are being negotiated. How can anyone stand still for that kind of a bill?

And title I and V of the bill also make the United States the least-favored-nation because the bill authorizes the negotiators to make bargains on nontariff barriers—NTBs—with the developed countries only. The developing countries can keep their nontariff barriers, it says by implication. So, what will happen? The developing countries are expected to export to the United States \$2 billion a year if present trends continue. So, if Mexico or Brazil or Spain or Taiwan or any other country—friend or foe—has high barriers to U.S. exports, they can keep them, as long as the President decides it is in the national interest to consider these countries LDC's or "developing." But the United States has to give those countries not only the most-favored-nation equal rights to this market, but special preferences for their manufactured products. That makes us the least-favored-nation with everyone.

There is no expertise needed to understand this kind of a proposal. This is a proposal that will leave the United States less well off and every other nation—Communist or non-Communist, rich or poor, better off. In a losing game, should the United States not try to win for a change?

That is why I urge the defeat of the bill.

Mr. LEGGETT. Mr. Chairman, the Trade Reform Act of 1973 is, by and large, a sound and workable proposal. It has received the benefits of the collective wisdom of a great number of people, and has emerged as a document of compromises which should enable it to do the job for which it was designed.

I voted against the rule on this bill because I feel that the timing is not particularly auspicious for such an undertaking; with the President inescapably shadowed by the black cloud of Watergate and the international economic scene in disarray caused by the recent events in the Middle East, I believe that a short wait before taking up this proposal would allow us to see more clearly where we are headed. Nevertheless, there can be no disputing the fact that we have been without authority to conclude international trade agreements since 1967—the longest such period in our history; that there have been massive shifts in the world's economic structure for which we must make adjustments; and that the negotiations which would produce these adjustments have broken down because our trading partners, aware of this lack of authority, have been rightfully afraid to conclude good faith agreements knowing that they could not be binding on the United States.

The effects of our inability to act have not been pleasant; two currency devaluations and a reversal of our traditional favorable balance of trade are the prices we have had to pay for our lack of flexibility in this area. I believe that the bill reported by the Committee on Ways and Means presents us with the tools to deal with our trade problems in a meaningful, and certainly less cataclysmic, way.

Those who oppose the bill make the criticism that it erodes to an unacceptable degree congressional prerogative in the area of foreign commerce. On balance, however, I feel that the committee has provided us with adequate safeguards to insure that, while the United States is able to act decisively, the Congress remains in a position to see that it does not act precipitously. We retain the authority to review and veto such actions as removal of nontariff barriers, imposition of import surcharges or quotas, lifting of import restrictions, total removal of significant tariffs and quotas, and undue retaliatory measures taken by the President.

In addition, this bill provides more meaningful protection to workers and firms significantly harmed by increased imports. We all recognize that our current system of compensation for import injury is, to say the least, inadequate; labor must be provided more adequate protection from the vagaries of international trade.

The Trade Reform Act of 1973 will facilitate petitioning procedures, speed eligibility determinations, ease qualifying requirements for worker assistance, and increase benefits to affected individuals. Labor is the backbone of American production, and deserves every bit of this protection.

Possibly the most controversial portions of the bill are title IV, respecting most-favored-nation treatment, and the amendment that the gentleman from Ohio will offer concerning Export-Import Bank credits. I deeply regret the necessity for these provisions. The United States has always done its best to adhere to the U.N. Declaration of Human Rights which guarantees among other things the right of individuals to emigrate as they please, and I have always agreed wholeheartedly with that position. Certainly no one here can dispute the fact that emigration from other nations has allowed our own to become a tremendous example of what all men are capable of; yet we find today that there are still places where a man is not free to choose an alternative residence.

In sum, the trade bill we have before us is the very best we can do based on what we know and believe to be true; I strongly urge its passage with the Vanik amendment.

Mr. MAHON. Mr. Chairman, I shall vote for this trade bill with the hope that the bill is a move in the right direction. Admittedly it is far from perfect. I have opposed and do oppose some of the provisions in the measure.

It is my hope that as the legislative process continues the bill may be improved. The Senate must act on the measure and thereafter a Senate/House conference will be required. Of course, the content of the final version is not known at this time but I hope the final measure will be reasonably acceptable.

In view of the great interest in the bill and the significance of what the House is doing today I wanted to make these remarks for the RECORD.

Mr. BINGHAM. Mr. Chairman, foreign trade is the economic lifeblood of every industrialized nation. As the most industrialized Nation the world has ever seen, the United States must engage vigorously in world trade. In fact, the United States is the largest single trader in the world and has a substantial stake in maintaining and increasing the free flow of trade between nations. New York City in particular, as one of the major hubs of international commerce, relies heavily on the exchange of goods between nations for the employment and livelihood of hundreds of thousands of its citizens.

H.R. 10710, the Trade Reform Act of 1973 before us today, represents a major congressional effort to improve the ability of the United States to engage in trade. It is designed to build upon the so-called Kennedy round trade reforms of 1962 and allow the United States to retain its role in the expanding world trading system. Our economy and the world trade situation have changed so rapidly and so radically over the intervening years that the progressive trade policy fashioned 11 years ago requires modification if the United States is to survive as a great trading nation.

The Nation has had no authority to negotiate new trading agreements with other nations since 1967, and since that time the United States has had increasingly severe trade and monetary problems. Without new, flexible authority, the United States could well begin to lose

out on its share of growing international markets, and the recent upturn in our trade balance could falter and again decline.

The Trade Reform Act is being considered under a "modified closed rule"; that is, only certain amendments will be permitted to be offered on the floor of the House. I voted against that rule, first, because I believe the consideration of this important legislation is ill-timed. I would have preferred to see the bill taken up early next year, when the Senate will also be ready to consider it and when the Nation will be in a better position to judge the performance of some of our major trading partners of the future, such as the Soviet Union.

This bill would allow the extension of favorable trade relations with the Soviets under certain conditions, but such policies should be held in abeyance until the Soviets adopt a more responsible attitude toward settlement of the Middle East dispute. I cannot agree with the argument that we should extend most-favored-nation status and tax credits to the Soviets in the hope that they will become more responsible members of the world community. They should prove their desire for détente and increased trade by joining the United States in promoting a direct negotiated peace in the Middle East. Then, and only then, should we consider expanded trade relations, always insisting on a free emigration policy.

I was opposed to the modified closed rule on another ground: It does not permit the House to consider amendments to our tax laws which would discourage American investments abroad that damage the job picture at home. In my own trade bill, H.R. 17133, which I introduced on October 13, 1972, I had proposed various measures of this type. Regulation of these investments and the practices of multinational corporations should have been included in this legislation. Since it was not, I voted against the rule permitting immediate consideration of this bill. I now encourage the Committee on Ways and Means to turn its attention to these issues early in the second session of the 93d Congress.

Since the rule providing for consideration of the bill has been adopted, I have decided to support the bill. On balance, I have concluded that H.R. 10710 is a responsible effort to give the President authority, subject to a variety of limitations, to enter into new trade agreements, to reduce, increase, or eliminate tariff and nontariff barriers to trade.

The President asked for unlimited authority, but the bill in title I sets limits on the amount of cuts that can be made, while granting short-term authority to raise or lower surcharges and quotas to restrain inflation or regulate the balance of payments. The bill also for the first time directs the President to give U.S. attention to nontariff barriers, which today constitute greater impediments to international fair trade than tariffs do.

It also directs the President to work for new, fairer rules of international trade, rules that have grown to be favorable to European countries and unfavorable to the United States. New rules gov-

erning unfair trade practices, international labor conditions and standards, and the tax structure of member countries need to be negotiated if the United States is to have a fair chance to compete in world markets.

Title II of the bill authorizes substantial relief from import competition to U.S. industries by giving the President authority to set up import protections for industries suffering from or threatened by import competition. The President must notify Congress of industries which request such assistance, and he is authorized to apply duties, quotas, and orderly marketing agreements to protect affected industries from harm. Workers and firms could also be granted relief from imports through an improved system of trade adjustment assistance. The program presently in effect has been ineffective, providing Government compensation to only 40,000 American workers because of import-related industry disruption.

In my own bill I called for easier and simpler access to relief, and increased worker benefits of unlimited duration. The provisions in H.R. 10710 are not as liberal as I would like, but they do allow workers and firms substantial help from the Government in the form of weekly compensation, training, and relocation benefits.

Title III of the bill allows the United States to retaliate against countries which unfairly restrict imports or discriminate against U.S. exports, or subsidize their exports to the United States. This new authority should help protect our own industries and open up new markets in such nations as Japan through a more equitable handling of trade matters between nations.

Title IV would permit the extension of most-favored-nation status to non-market countries on the condition that those nations allow the fundamental, internationally endorsed right to freedom of emigration. I also expect an amendment offered by Representative VANIK, which would also deny the extension of U.S. credits to such nations as the Soviet Union unless they allow free emigration, to be overwhelmingly approved by the House. Together, these provisions should provide tremendous leverage for the United States to help protect oppressed minority groups in Communist nations. Without these provisions and without this bill, the United States could continue to grant credits for international trade to the Soviets without any consideration of their treatment of Soviet Jews. This is an important factor in any decision to vote for this bill.

H.R. 10710 is clearly a very flexible instrument which the President can use to increase U.S. participation in world trade while protecting our own industries from unfair competition. It does not freeze into law a rigid set of protections, which some workers and companies threatened by increasing imports would have liked. Instead, it gives the President a negotiating instrument with which to gain new advantages for the United States in international markets through forthcoming multilateral negotiations. It is not blank check authority,



however, since it includes Congressional guidelines, requirements for investigations and public hearings, consultations, and disapproval procedures. The bill also includes numerous safeguards to prevent or compensate for substantial injury to domestic firms and their workers. The bill allows the President to deal with two equally important concerns: The expansion of international trade with increased U.S. participation and the safeguarding of our own workers who may suffer from that expansion. The President must now use that authority wisely, and the Congress must use the oversight, consultation and veto powers reserved to it to make sure that wise and fair policies result.

It is said that the Congress should not delegate to any President, least of all the present incumbent, such powers as are delegated to the President in this bill. I am all for the Congress asserting its proper role in matters of foreign trade and foreign policy, and especially on the great questions of war and peace. But in this case the Congress cannot possibly do what we want the President to do: The Congress cannot negotiate trade agreements or negotiate for the reduction of nontariff barriers; this is something that only the Executive can do. Since the adoption of the first Reciprocal Trade Act in 1934, and especially since the Kennedy-round negotiations of the early 1960's the Congress has appropriately had to leave the prime responsibility for trade negotiations to the Executive. This has been a traditional part of the kind of constructive foreign policy favored by the Democratic Party, and we should not abandon it simply because a Republican is in the White House.

I am deeply concerned about unemployment in my district and elsewhere in the country, and I am worried that unemployment will grow as a result of the energy crisis. Moreover, I respect and understand the fears of those, especially of my friends in the labor movement, to the effect that under this legislation imports may cause additional unemployment, in spite of protective measures I have mentioned that are included in this bill.

However, it is my profound conviction that those who oppose H.R. 11710 on this ground are paying insufficient attention to the unemployment that will follow if our foreign trade does not continue to grow. The total slowdown of our economy, indeed the depression, that would ensue if we follow the course of economic isolationism would be catastrophic—far more serious than the temporary dislocations that may be expected as we continue to pursue the policy that the United States should be the greatest trading nation in the world.

Mr. MATHIAS of California. Mr. Chairman, exports are vitally important to American agriculture and the enactment of the Trade Reform Act of 1973 will be beneficial to our agricultural industry. American farmers must export to live. Without exports, the health of the farm economy and that of the entire Nation would be jeopardized.

Since our farmers are geared to produce in excess of the Nation's ability to consume, a vigorous and growing ex-

port market is vital to an economically sound and prosperous agriculture. Without strong export market outlets, farm income would drop, rural America would suffer, and hundreds of thousands of workers employed in the agriculture related industries—farm suppliers, handlers, transporters, processors, and merchandisers—would be out of work. A strong farm export market, therefore, is important to the entire Nation.

Farm exports mean better incomes for farmers, abundant food at moderate prices for American consumers, and reasonably priced foodstuffs for people around the world. They are also a principal source of the Nation's foreign exchange. For example, we pay for oil with soybeans, wheat, cotton, hides, and the other items of our agricultural abundance. Furthermore, our capacity to export food has been and continues to be a major factor in our efforts for peace. Food exports played a major role in achieving a détente with the Soviet Union and are a factor in renewing our relations with the People's Republic of China.

It is important to our farmers and to the entire agricultural industry that we encourage the reduction or elimination of trade barriers and increase accessibility to foreign markets. The Trade Reform Act is a major step toward open and nondiscriminatory trade. It is the responsibility of the Congress, therefore, to provide the President with the necessary authority to negotiate for improved trading conditions for agriculture.

Mr. BROYHILL of North Carolina. Mr. Chairman, today the House of Representatives faces a critical decision which will shape America's foreign and domestic policies for years to come.

I think that nearly everyone agrees that the time has come for some basic shifts in our international trade posture. The international marketplace of trade in the 1970's is no longer the marketplace that we knew in the 1950's or 1960's. Major structural changes in the world economy have occurred as Germany and Japan emerged as strong economic and competitive powers. The world monetary system has become increasingly unstable and inequitable. The result of all of these changes has been the evolution of a world market structure vulnerable to recurrent crisis, protectionist sentiment and economic stress and distortions.

In recognition of the changes necessary in the international economic system, trade reform has been a No. 1 priority of the 93d Congress. Numerous proposals have been made by the administration, by interested parties, by labor unions, business and industry to effect that reform. In my opinion, we owe a real vote of thanks to our colleagues on the House Ways and Means Committee for the job they have done in putting together these diffuse and oftentimes contradictory perspectives into a piece of generally sound and workable trade reform legislation.

The major purpose of this legislation is to renew the President's authority to negotiate multilaterally trade items such as tariff levels and nontariff trade barriers. This authority, which last expired

in 1967, is absolutely necessary if the United States is to take a strong initiative in forging a new international economic order which recognizes and protects the legitimate interests of America.

The administration has shown that it can use the authorities in this bill wisely and in the best interests of America and the international economy. The recent progress in Geneva at the GATT talks on a multinational trade agreement is an indication of the abilities and strength of our negotiating team.

But this trade reform bill does much more than simply concern itself with the needs of expanding our trade abroad and stabilizing the world economy. It also explicitly addresses itself to the needs of the American worker and American business.

H.R. 10710, the Trade Reform Act of 1973, increases our powers to deal with unfair trade practices of other nations. Sanctions to deal with the dumping of cheaper, below-cost foreign goods, restrictive and discriminatory foreign trade barriers, and other such practices are improved. This means, of course, additional protection for American jobs against unfair foreign competition.

H.R. 10710 also offers other improvements in the protection of American jobs and industry from foreign goods. The most basic improvement is in relief from economic injury due to foreign competition. This relief is offered in the form of adjustment assistance to both firms and employees. For eligible workers adversely affected by foreign trade competition, there is a liberalized benefit program including higher cash allowances, job training, employment counseling and placement, and other relocation benefits.

The Trade Reform Act is not perfect. But it goes a long way in providing a workable foundation for today's and tomorrow's new international economic world. The House of Representatives can do its part by passing H.R. 10710 today.

Mr. FRASER. Mr. Chairman, I rise in support of title V of the Trade Reform Act of 1973.

We cannot hope to have a peaceful and stable world composed of an affluent minority and an impoverished majority. As the richest Nation in the world, we should make good our long-standing commitment to implement a generalized system of tariff preferences for the poorer nations. In doing so, we would be acting not out of altruism, but in our own self-interest.

Export growth is essential for development. The developing countries have been concerned about generalized preferences since 1964. In their view, the present international trading system discriminates unfairly against them and discourages expansion of third world exports. Industrialized country tariff rates on manufactured imports from low-income countries are considerably higher than on those from developed countries. Some of the poorer nations believe that the major powers want to perpetuate a system that is allegedly designed to hinder their industrialization and to prevent their emergence as more important trading nations. If aspirations for development among the poorer nations in Asia,

Africa, and Latin America continue to be thwarted, levels of tension and violence will continue to rise, and development of democratic institutions conducive to human dignity will continue to be frustrated.

The best way of achieving development, economic development, experts agree, is not through massive aid programs nor inward-looking import-substitution policies on the part of the less developed countries, but through outward-looking policies of export promotion.

The economic growth of the third world has always been in the best interests of the United States. Thirty percent of our exports—\$15 billion a year—currently go to the developing countries. This is already a sizable market, but its potential is even greater. The developing countries offer an expanding market for U.S. exports of agricultural commodities and of high-technology, high-skill manufactured products. In turn, we depend upon the poorer nations in significant measure for imports of essential raw materials, of low-cost labor-intensive products, and of investment income. Our goals can be best realized if there is recognition of our mutual trading interests.

The United States alone among the industrialized nations of the world has yet to implement a generalized system of tariff preferences. Sixteen major powers, Japan and the European Community included, have done so. Canada is about to implement system, and five Eastern European countries including the Soviet Union have announced generalized preference systems.

When we implement a generalized system of preferences, we can call on other countries to phase out special preferential arrangements and so-called reverse preferences, which would otherwise shut us out of important markets.

There has been steady proliferation of special preferential arrangements between some developing countries and the European Community. These special preferences discriminate against the United States and other third countries which are not a party to any such special arrangements. A worldwide system of generalized preferences under which all developed countries accord comparable tariff treatment to all developing countries would remove the justification for special preferences and the discrimination that goes with them.

The problem of reverse preferences—preferences which the poor countries give to certain rich countries—could also be eliminated through implementation of a generalized system of preferences. Reverse preferences are harmful to U.S. interests and to those of the developing countries as well. They increase the cost of imports necessary for development. Title V provides that to be eligible for preferences the developing country must agree to eliminate reverse preferences by January 1, 1976.

Developing countries do have a competitive advantage in low technology manufactures. We know that imports of these goods can increase competition in developed-country markets and can create problems. But title V is cushioned with safeguards to protect American industry and American workers.

Since generalized preferences are now being extended by nearly all industrialized nations, the increased flow of products from the poorer countries will be widely spread among the markets of the developed countries. The increase of U.S. imports resulting from generalized preferences is not expected to reach 1 percent of our imports of manufactures and will involve a wide variety of goods. There is little possibility of serious pressures resulting.

Title V restricts the amount of any one product that may enter the United States from any one supplier country. Preferences are to be terminated for any product from a less developed nation when those imports reach \$25 million in value, or 50 percent of the total value of our imports of that particular product.

Preferential tariffs granted under the system proposed in title V are limited to a 10-year period. This is meant to insure that preferential tariff benefits are confined to small and beginning exporters.

In addition, all items subject to import relief action, such as watches, shoes, textiles, and certain steel products, are excluded from preferential treatment.

For these reasons, then, the United States will not experience adverse consequences from the extension of generalized preferences to the poorer nations.

Generalized tariff preferences in favor of the poorer nations of the world will help these countries shake themselves free of poverty. They will at the same time provide expanded markets for American exports and help insure continued U.S. access to essential raw materials.

For our own economic well-being as well as for our future good relations with the rest of the world, it is of the utmost importance that we implement a generalized system of tariff preferences for the poorer nations.

Mr. BADILLO. Mr. Chairman, I have given a great deal of consideration to the legislation before us and have attempted to weigh the pros and cons as they were presented to me by our colleagues and by interested individuals and organizations. There is little question that our trade policy urgently requires adjustment and realignment in a number of key areas and that the manner in which tariffs are negotiated and duties set must be reformed. Certainly the United States must be aided and encouraged to vigorously participate in world trade negotiations—such as the GATT negotiations now underway in Geneva and the bargaining to be initiated early next year in Japan—and the executive should be given the necessary tools and authority to engage in meaningful trade discussions. On balance, however, I believe that the measure we are now considering reforms nothing and that a number of aspects may very well be harmful to our own economy and to our future trade policy.

I am, for example, deeply troubled over the new authority granted to the President to enter negotiations which alter the basic structure of international trade and to move on areas affecting many aspects of the domestic economy. Although some protections are ostensibly provided by granting the Congress authority to close-

ly monitor negotiations and provide for a congressional veto over nontariff barrier agreements, I am not at all sanguine that such a mechanism will work as effectively as is envisioned. I feel that this particular feature is deceptive. We have had enough experience in recent months and years to realize that the Congress will most likely not veto any complicated trade agreements on an up-and-down basis.

By failing to provide for any sort of regulation of the vast U.S.-based multinational corporations, H.R. 10710 cannot be classified as a bill effecting any needed reforms. It has been very aptly noted that some \$3 billion in revenues are lost each year because of the tax advantages which exist to aid and encourage these multinational giants. We must also consider the fact that these corporate operations export essential jobs, capital, and technology which, in many instances, result in imports which displace American-made items.

There are two aspects of this measure which I very strongly support and which I am convinced must be integral parts of it. The amendment offered by our distinguished and able colleague from Ohio (Mr. VANIK) denying credits to any country which denies freedom of emigration for its citizens and title IV which extends most-favored-nation tariff treatment to only those nations guaranteeing to their citizens the right of emigration are essential and are two issues on which there can be no compromise. As one of the original cosponsors of the Mills-Vanik Freedom of Emigration Act I have spoken out here and elsewhere on countless occasions in support of these two features and of the right of people throughout the world—but particularly those Jewish citizens in the Soviet Union seeking to emigrate to other nations—to travel and emigrate without harassment, intimidation, or undue restrictions.

The United States in good conscience simply cannot extend credits or most-favored-nation status to any country which pursues repressive policies such as those being perpetrated by the Soviet Union against its Jewish citizens. As Mr. VANIK clearly stated in yesterday's debate:

The amendment serves notice to other nations of our feelings on this fundamental question of human rights; it telegraphs to them the steps they will have to take before full trade eventually commences.

These two sections of the bill must be enacted and I am pleased to urge their passage.

In the final analysis, however, I cannot support the passage of the trade bill. I am aware of the many hours which the Ways and Means Committee devoted to this legislation and the many concessions and other agreements which were concluded in order to favorably report a bill of such importance. Nevertheless, for the reasons I have mentioned as well as for other defects which have been discussed by a number of our colleagues I do not believe that the enactment of this legislation is in the best interests of the Nation's trading ability or domestic economy. Thus, while I give my wholehearted support to the freedom



of emigration portions of the bill, I intend to oppose it on final passage.

Mr. ASHBROOK. Mr. Chairman, central to our consideration of the Trade Reform Act of 1973 is the action we shall take concerning trade with the Soviet Union. The administration has asked for and vigorously pressed granting most-favored-nation status to the Soviet Union. The administration has also worked to block attempts to attach any conditions to expanded East-West trade.

Détente and all of its illusions has become the order of the day. Despite the Soviet wheat fiasco and the millions of dollars of unpaid debts owed by the Kremlin to U.S. citizens, American businessmen are rushing to Moscow.

Congress must decide whether unconditional trade with the Soviet Union is in the national interest. I, for one, believe that for the United States to develop the industrial and military capacity of a self-declared enemy is neither rational or moral.

Nothing makes this point more clearly than the Israel-Cambodia security assistance bill which will be before Congress later today. This bill would authorize appropriations of \$2.2 billion to Israel and \$200 million to Cambodia. The reason we will have to make these vast appropriations is to counter the military expansionism and reckless foreign policy of the Soviet Union. It is insane to vote funds to block Soviet military maneuvers while at the same time helping to develop the Soviet economy. Such a policy can only end in national suicide.

The Soviets have been and are involved in an arms buildup in the Middle East. Before the most recent war, they sent thousands of weapons including advanced SAM's to Egypt and Syria. These weapons destroyed equipment provided by the United States to Israel.

Now this may not be too unusual in itself, but there is one additional factor involved. That factor is that the West has built up this Soviet military might.

The GAZ-69 rocket launcher used against Israel was built in a Soviet plant built by an American firm. The ZIL-130 truck, a standard Soviet army truck, is manufactured in a plant built by another American firm. The Soviet T-54 tank—again in use against Israel—has a type of suspension system which the Soviet Union purchased from another American firm. Many of the weapons were sent to the Middle East by Soviet ships. The Soviet shipbuilding industry has been highly dependent on the United States. Now, of course many of these same weapons and vehicles were used in Vietnam to kill American fighting men and are still being used against allies in that part of the world.

In recent weeks I have detailed new "deals" with the Soviet Union—deals that are being underwritten by credits provided by or guaranteed by the U.S. Government or governmental agencies. Those deals include a highly advanced petrochemical plant. Advanced petrochemical industry is an important part of any Nation's military might.

The Soviet wheat deal, oiled with American Government credits, only cost

the United States money. The cost of these other deals may be much higher. The American taxpayer through his tax dollars no longer should be asked to finance his enemies. It is time to say no to further credits to the Soviet Union granted or guaranteed by the U.S. Government.

Mr. ROBISON of New York. Mr. Chairman, in the past few decades we have witnessed a gradual redistribution of the centers of international superiority in the various categories of global power. As technology and communication improved and the benefits thereof spread more evenly throughout the world, the gaps of the past in defense, science, and trade have been largely diminished, if not removed. The upper berth of leadership which the United States used to hold in economic, military, and technological circles is no longer guaranteed. This position of American dominance was forged out of an aggressive dedication on the part of the American people, as a young nation, to build a place for themselves in the world community. The mobilization of our then abundant resources and talents, and the resulting quality and quantity of our production, were the envy of established and emerging nations alike.

Our world is continually changing—this being one of the few aspects of modern life that one can depend upon. So, the roles and relationships of the past on the international level are constantly being altered and reshuffled. Recognizing the inevitability of change and the in-built rigidity of our present system, we have to now embark on the difficult, but necessary, course of reforming our economic system, thus carving out a new posture for the American people in the dynamic, new world environment.

We are caught, along with our world neighbors, in a cycle of runaway demand and diminishing resources. Often, we now find ourselves looking to other countries for the natural resources and finished products which we need to maintain our present standard of living. The United States has been operating since 1967—the year the Trade Expansion Act of 1962 expired—without a clear, concise policy for new American initiatives in world trade. In that intervening period of time, traditional trading patterns have changed, the production capabilities of other countries have improved, and the initial steps for world monetary reform have been taken. It is within this setting, then, that the Trade Reform Act of 1973 was developed and is now proposed. This bill prescribes a more open system, calling for expanded cooperation on both the national and international levels to meet the needs of all people.

We are also seeing a growing interdependence among the policies of many countries in the world in the areas of security, politics, and economics. Whereas, the conduct of international trade used to be of concern to only a handful of specialized economists and businessmen, the years of inflation, several dollar devaluations and projected fuel shortages now make the determination of trade policy an issue of concern for all Americans. The areas of trade, world

politics, and defense can no longer be discussed in isolation. As dramatized by the course of "Arab oil diplomacy," each area of our world now affects, and is affected by, the others with increasing frequency. It has been recognized that building a healthy and workable linkage between two or more countries on one level can lead to the strengthening of relations on other levels. The posture of the United States in trade is a vital component in the process of creating both the atmosphere and the mechanisms through which all nations can cooperate and communicate. An expanded and open exchange and resulting understanding will hopefully lead to a lasting peace in the future.

The Trade Reform Act of 1973 is an important part of the effort to increase the number of channels for global communication and exchange. This long-awaited and vastly important piece of legislation is a step in the direction of laying the foundation from which the United States can effectively deal with the problems and opportunities presented by this rapidly changing economic system throughout our world. The provisions of this act give the Nation the flexibility and authority to increase our participation in international trade.

The directions recommended by this bill are but a portion of a much larger effort for world peace and international order. Our approaches in the past have been piecemeal and unguided. But upon the enactment of this bill, our Government will have the ability to encourage change and the incentives to accomplish reform on the international level, as well as the tools to minimize any domestic difficulties as a result of our new posture. Multilateral negotiations and exchange for economic purposes will lead to a heightening of mutual respect both socially and politically. As often expressed by spokesmen for the administration, we must so broaden our efforts to enjoin the political powers throughout the world as to search for a means of dealing with mutual problems peacefully. This bill will help, not hinder, such efforts. These are ambitious efforts, but we cannot shrink from them. Enactment of this bill is not a guarantee of peace, but rather a substantial contribution toward that goal, one which reduces economic friction and sets the wheels in motion for nations to deal more effectively and expeditiously with one another, strengthening the bonds of cooperation and understanding between all countries, large and small.

The global importance of the Trade Reform Act notwithstanding, the economic benefits for the American people deserve our attention. By lowering tariffs and encouraging trade through negotiation, our new policy will promote the free and fair movement of men, products, and ideas internationally. The consumer will have a wider selection of products and be able to pay a lower price for many goods as a result of a more competitive participation by the United States in the international market. The American manufacturer will also benefit substantially for many of the products that have been researched and developed at home

can now be exposed to expanded distribution abroad. Production in the United States can profit by sharing foreign technology and resources to improve our methods of production and from enlarging operations at home to meet the needs of increased distribution. In the long run, this new policy will mean more jobs and lower prices in our own country.

During committee consideration of this bill, an alternative proposal was made by forces which advocated a more restricted trading stance. This approach—known as the “Burke-Hartke bill”—called for a return to protectionism through stiffer tariffs and import quotas, in the hopes of safeguarding jobs at home. However, in my opinion this policy would increase economic tensions, rather than reduce them, through retaliatory actions by foreign governments toward the United States. The effects of the trade war that would be touched off by such protectionist legislation would be felt not only by the industries that would be unable to sell their products worldwide and lose the opportunity to expand their operations at home, but by the consumer as well, who must deal with the day-to-day realities of an inflationary economy by paying higher prices for many of their purchases. In an effort to limit imports, our present level of exports will be drastically decreased, as foreign countries find it more to their advantage to go to other nations to buy their goods.

The number of jobs created by protectionism to fill the gap left by fewer imports would be equal only to the number of jobs that would be eliminated by the loss of exports. When viewed in comparison, a system of free and open trade raises the prospects for international exchange on all levels—not just products and machinery—and will lead to increased prosperity for our countries and others more so than protectionism.

One would be negligent if he did not recognize the fact that some workers will be displaced by imports in several domestic industries. A policy of free trade will increase the flow of products from abroad and harm several industries at home, even while benefiting the Nation as a whole. Two such industries are in my congressional district in New York—the shoe and dairy industries. In a statistical comparison of those persons benefiting and those adversely affected, the number of workers who would be injured would be very small. But, in human terms, the impact to be felt by those workers who are in trade-impacted occupations would be considerable. Those persons—both young and old—with outmoded skills or limited financial resources, face a difficult task in redirecting their lives. The Nation has a responsibility to assist all such workers who are victims of any actions taken by the Government in the national interest. The Trade Expansion Act of 1962 contained so-called readjustment provisions, but experience has shown that these programs were ineffective in meeting the needs of the recipients. In the past, applicants for such relief have found Federal programs inaccessible,

cumbersome, and inadequate. Despite congressional intent, the mechanism for obtaining assistance was insufficient for the needs of the workers at that time. We must do better this time. Thus, the Trade Reform Act of 1973 takes some important steps in correcting the deficiencies of the original legislation and in providing help for both the industries and individuals affected.

For the provisions of this bill enable both the workers and the firms in “hardship” industries to receive all the benefits and assistance they are entitled to without delay. The petitioning process has been revamped. The criteria for eligibility have been relaxed, for now imports must only “contribute importantly to,” rather than be the “direct cause” of hardship, as under the Trade Expansion Act of 1962. The Secretary of Labor must now make the determination for eligibility, with a greater number of economic factors to be considered, making it easier to qualify. Recipients will now be permitted to draw assistance for 52 weeks, as compared to the previous period of 26 weeks. Older workers, who are less able to find new employment, are given an additional 13 weeks to draw financial relief. Those workers who are training for new jobs will receive up to 26 weeks after their 1-year allotment, should their retraining period extend beyond 52 weeks. This provision particularly encourages displaced workers to look for new employment and avail themselves of training in new skills. Federal agencies must also adhere to stricter time schedules in acting upon petitions from both companies and individuals. The level of allowance, once eligibility has been established, is thus increased, along with relocation assistance, job search benefits, and the amount of help one can receive for training and reemployment.

So, the level of, and the access to, Federal adjustment assistance for both workers and industries affected by free competition and expanded imports through trade will be improved by this Trade Reform Act. This element is essential if we aim to protect the quality of life for all workers—not just those who will benefit from more open and active trading with foreign countries. The present mechanisms for dealing with domestic market disruptions are bolstered by providing a more flexible system which enables the United States both to regulate duties and quotas as a means of facilitating adjustment and to conduct new negotiations with foreign countries if and when the circumstances demand.

H.R. 10710 has my full support. As an economic proposal it is a solid and consistent approach to the needs of the United States. It will enable our country to properly meet the promises of the future by easing economic tensions and by building a more open and flexible trading mechanism.

More importantly, the Trade Reform Act of 1973 makes a strong contribution to the ongoing effort for world peace and understanding. President Nixon has initiated, by pulling nations together and negotiating solutions to shared political

and economic difficulties. It is, then—and in so many ways—landmark legislation.

It is unfortunate, I think, that this fact has been overshadowed—both in this debate and in the bill’s attention around the Nation—by the emphasis given to the so-called Vanik amendment and the principles of human rights which, rightly or wrongly, it has come to symbolize.

Actually, there were two Vanik amendments—and I have had my troubles with both of them. One specified that most-favored-nation trading status was not to be granted to any nation which directly denied its citizens the right to emigrate, or attempted to do so indirectly by levying head taxes or exorbitant exit taxes. This language was, for better or worse, included in H.R. 10710 by the Ways and Means Committee—over the objections of the President—and will apparently stay in title IV of the bill.

But there is also a second Vanik amendment which seeks to build on the intent of the aforementioned language as already in the bill. It would do so by further denying any investment credits or guarantees to nations practicing similarly repressive emigration policies.

This is the amendment we will vote on, today, and though I have comparable reservations about it, I have learned from months of extended and often emotional discussion with my constituents that a Member of Congress can only stand on one principle at a time. By that I mean that I have always had complete sympathy with the plight of those Russian Jews who have sought, often in vain, to leave Russia. But I have found it difficult to convey the idea your sympathy for them—our concern for their plight—is not the sole issue.

Instead, there is a second extremely important issue involved here which seems to me to be the propriety—let alone the wisdom at this especially delicate point in time for the concept of a Soviet-United States détente—of our attempting to legislate domestic policy for another nation. In stating one issue, it seems to be impossible to state the other at the same time and not be impaired on charges of bigotry and moral insensitivity. In wrestling with that ambivalence, I will not try to sacrifice one principle in defending the other. With some reluctance, then, I shall vote for the Vanik amendment which is to be offered from the floor today. Thereafter, however, it is my intention to vote for the amendment I understand my New York colleague (Mr. CONABLE) will offer, which would strike all of title IV—and the two Vanik amendments with it—from the bill.

Taking this position is not an easy task—especially given the sensitivity of the question and, particularly, the depth of the support from within my congressional district for the Vanik approach. But I would hope—as one who has given this matter considerable thought—that the basis of my decision to vote for the second Vanik amendment will be recognized as a sincere expression of my



personal feelings about the repression of religious and cultural minorities in the Soviet Union. I would ask, also, that my decision to vote for the Conable striking amendment be recognized as one resting on a degree of principle and conviction equal to that demonstrated by those who have insisted on my support of the Vanik approach.

We must presume that the emigration policies of any country are part of the whole cloth of the culture and policies of its citizens. By mandating, then, the Vanik language, we are also mandating—as the Wall Street Journal has suggested—that the Soviet Union must change the basic nature of its society as a condition of future economic exchange with the United States. And, in my previous correspondence with many of my pro-Vanik constituents, I have suggested that such a policy fiat is comparable to a situation—or could be—in which the Soviet Union ties its relations with this country to the treatment of blacks, or Indians, in the United States.

It seems to me that, if this Nation is to make such serious judgments on the morality, or immorality, of another nation's domestic policy, any such judgment must be made by our Government, as a whole, speaking for the entire Nation—and that the legislative branch oversteps its bounds when it attempts to do so on its own.

In other words, any such judgment should come as a concerted response of the American Government—which concert does not now exist since the White House has strongly, and consistently, objected, at least at this point in time, to congressional use of this important and essential piece of legislation as a means to change certain actions or policies, however objectionable, of other nations.

The perspective, Mr. Chairman, I am seeking to draw on this question is the probability that the Vanik approach holds within it the much larger question—far larger, that is, than its domestic, political import—of the legitimacy of our overall present stance toward the Soviet Union. If this Nation is to judge that our relationship should somehow be altered, then it must do so in other ways than through an amendment—or amendments—to a piece of legislation granting the President new authority to negotiate mutual reductions of tariff barriers in an international round of trade bargaining.

That "larger question" is something we have not really, in this debate, addressed ourselves to—nor even scarcely recognized. Since, however, I find it involved in the action we are evidently prepared to take with respect to title IV of this bill, I think we should strike that title for the time being, thus allowing some time to elapse for a reconsideration of our course.

Finally, I will vote for the bill on final passage even if title IV—as amended—remains in it. I will do so because the bill, itself, is—for reasons stated—a necessity, and also because, of course, several months will clearly have to pass before the other body gets around to its reconsideration of our decisions.

Mr. HARRINGTON. Mr. Chairman,

few subjects before the Congress are as complex, controversial, and yet as important as foreign trade. Today we are considering legislation as significant as any that will come before the 93d Congress.

H.R. 10710, the "Trade Reform Act of 1973" is intended to liberalize our foreign trade by granting the President authority to enter international negotiations to lower tariffs and ease nontariff barriers to trade. The goal, of course, is to lower barriers in all countries and thereby increase our exports, the production of exports, and employment in export industries.

The converse to this goal is that our tendency to import will also increase the imports, may, in some instances, substitute foreign for domestic production, thereby decreasing employment in certain sectors. Many working men and women in this country oppose the legislation, because of this potential job loss in import-affected industries.

It seems to me, however, that protection from imports in the form of barriers to trade, is not the answer to the very real problems created when imports are substituted for domestic production. Instead, we must encourage domestic industries to adopt new technology and increase productivity while providing the kind of assistance to industry that will help American businesses successfully adjust to the new and more competitive situations.

This is not to say that we have had any such assistance program to date, or that we are considering one here today in H.R. 10710. But it is to say that in New England, for example, where twice as many jobs depend on exports as could be created by stemming imports, it makes little sense to jeopardize the larger number of jobs to protect the smaller number. This is the crude reality we face, and it leads me to support this legislation.

#### NEGOTIATING AUTHORITY

New negotiating authority with regard to trade barriers, as contained in this bill, is clearly needed. The authority given President Kennedy in the "Trade Expansion Act of 1962" expired in 1967, leaving the Executive without negotiating authority for the past 6 years. In the more than 10 years since the adoption of the Kennedy round agreements, the realities of international trade have changed markedly, as the dominance of the United States in trade has been challenged in recent years by the economic resurgence of Western Europe and Japan.

While the Kennedy round had reduced tariffs to the point that today they average about 8 percent for the United States and Western Europe, and 10 percent for Japan, the relatively uncontrolled growth of nontariff barriers has promoted instability and disequilibrium in international trading patterns, and in fact, NTB's are not more of an impediment to trade than are tariffs, and particularly to American trade. They are, in fact, a relatively new tool being used extensively abroad to discriminate against American products. Authority to negotiate the reduction or conversion of

NTB's to tariffs is clearly desirable—subject to guarantees of congressional review and consent, as are contained to some extent in H.R. 10710.

Trade negotiations presently in the preliminary stages have faltered, largely because of the understandable reluctance of our trading partners to begin serious discussions when the American President has no authority. I share the view that the Congress should not give the President excessive and unchecked authority. At the same time, it has been generally recognized that a President needs to be able to bargain on a wide range of trade-related issues, and that a grant of some discretion in negotiating authority is critical to the success of the trade talks. While in some areas, the bill now before us gives the President an over-broad grant of authority, the limitations and congressional controls included in the bill constitute at least an acceptable tradeoff between the need for Executive authority and the need to maintain congressional responsibility.

#### PROTECTIONISM OR FREE TRADE

For 40 years, since adoption of the Trade Agreements Act of 1934, the United States has generally followed a free trade policy; that is, its objectives in trade negotiations have been to lower tariff or nontariff barriers. In recent years this free trade orientation has come under sharp challenge, particularly from those sectors of our economy most directly affected by imports. It is argued that we should return to protectionism—whereby our trade policies would be directed toward the reduction of imports, to the extent of imposing quotas on imports. These proposals have been embodied in the Foreign Trade and Investment Act of 1973, the so-called Burke-Hartke bill.

As I come from an area of the country in which textile and shoe industries, among others, have been seriously hurt by imports, I can understand that these industries need assistance. At the same time, I believe that a protectionist trade policy—which would take our country back to the disastrous days of Smoot-Hawley—would cost us more jobs than it would create. In some extreme cases, protectionist measures, such as orderly marketing agreements or temporary import quotas, are clearly justified. But generally, the way in which we can assist those workers, firms, industries, and communities adversely affected by imports is not by artificial restraints on trade, but by a positive program of adjustment assistance that provides Federal support to improve the economic position of those affected.

The central question in the debate over protectionism is whether, on balance, imports are more of a harm to our Nation's economy than an asset. On the basis of the evidence that I have seen, I am convinced that an expansion of trade, as would result from lowering tariffs and easing nontariff barriers, would be a very positive step for our domestic economy—in terms of both creation of jobs, in the face of an impending recession, and in terms of reducing pressures for continued inflation.

To restrict imports could do great dam-

age. Imports quotas would virtually guarantee retaliation from our trading partners in the form of greater barriers to our exports. Our opportunities for export sales would fall, and export-dependent employment—which is greater than employment threatened by imports—would also fall.

Export trade, on the other hand, has a major impact on domestic employment, and reductions in trade, which would result from protectionist policies, would hurt rather than help domestic employment.

Federal Reserve Board Gov. Andrew Brimmer has estimated that in 1971, about 2.65 million jobs could be attributed to the \$40 billion of exports of merchandise in that year, while each \$1 billion of exports generated about 66,000 jobs, with an equivalent number of jobs generated in industries supporting American export business. Governor Brimmer estimates that 4 percent of our total private employment—7 percent in manufacturing—is accounted for by exports. In some sectors, particularly high-technology and other "growth" industries—which, I might note, have comparatively high wages—the reliance upon export business is even higher.

In short, the "employment" argument used in favor of protectionism is a two-edged sword. In addition, one cannot overlook other effects of trade on our economy. Price and quality competition provided by imports are obvious. Not so obvious, but equally important, is the fact that import competition has resulted in significant advances in many U.S. industries in terms of investment and technology. The steel industry, for example, did not modernize until forced to do so by foreign competition. The automobile industry did not develop smaller cars until pressured by imports.

Present U.S. trade restrictions already cost U.S. consumers billions of dollars—\$2 billion, according to one estimate, as a result of just tariffs on industrial projects. Including nontariff barriers, the total costs to consumers of present trade barriers may total as much as \$10 million annually.

It seems to me, considering all these factors, that American policy ought to move in the direction of removing impediments to trade. H.R. 10170 provides the executive with the authority necessary, to accomplish this goal, with appropriate checks by the Congress.

#### ADJUSTMENT ASSISTANCE

Mr. Chairman, I would also like to address the subject of adjustment assistance. No one can say that the present system has been a success. I may know that better than many Members of this body, because of the large number of shoe, textile, and fish businesses in my congressional district.

A report for the National Association of Manufacturers on trade adjustment assistance indicates the severity of the need for assistance in the area of Massachusetts I represent. The report indicates that at least nine petitions filed by communities in my congressional district with the Tariff Commission for adjustment assistance have been accepted, six

of these in one city—Haverhill—alone. Nearly 2,000 workers are in the group injured by import competition. In the past 3 fiscal years, according to information supplied by the Department of Labor, the adjustment assistance programs authorized by existing law have resulted in total expenditures within all of Massachusetts of \$2,537,530. Even this seemingly substantial sum does not even approximate the needs of workers, firms, and communities in my State.

In fact, the present adjustment assistance system is woefully inadequate. It offers too little assistance, too low benefits, and is so difficult to invoke that it is finally an administrative nightmare. Assistance is available, at best, only after years of negotiating with an unresponsive and callous bureaucracy.

Chief cause for the failure of the program rests in the fact that assistance to workers or firms cannot be supplied unless they can prove to the Tariff Commission—which takes months upon months to act—that a previous trade concession has been the cause of increased imports that have caused the injury. In practice, it has been, with rare exception, almost impossible to prove this causal link. On an industrywide basis, the current adjustment assistance law requires that increased imports be shown to be the major cause of an industry's declining economic fortunes. This, too, has been difficult to prove in practice.

As I have often said, the failures of a program today, when the need still exists, are cause for an improved program—not for scrapping it. Unfortunately, the administration's response to the need for improvement in the adjustment assistance program cannot be characterized as productive. The few improvements contained in the administration's proposal, as spelled out in H.R. 6767, were far outweighed by the substantial reductions in the level and duration of benefits to workers and the complete elimination of assistance to firms that were called for in the bill. While the administration bill might have helped somewhat on an industrywide basis, by easing the process of invoking the so-called escape clause—which allows for the temporary implementation of import quotas, orderly marketing agreements, tariff-rate quotas, or countervailing duties—the net effect for workers and firms would have been negative.

The Ways and Means Committee has to some degree improved upon the President's proposal. For example, the committee bill makes adjustment assistance more easily available through more liberal criteria and simplified through more direct procedures and required decisions. In determining the eligibility of industries for assistance, the committee bill drops the causal link between imports and previous trade concessions and makes eligibility dependent on a finding that imports have contributed importantly to an industry's trouble, rather than requiring that imports be the major factor, as is presently the case.

Workers are entitled, under H.R. 10710, to up to 52 weeks of cash allowances. These allowances are to be increased above the administration's proposal to

70 percent of the worker's average weekly wages for the first 26 weeks of entitlement, and 65 percent of wages for the second 26 weeks. By contrast, the administration bill would have dropped benefits to 50 percent—compared to the present 65 percent—or two-thirds of the statewide average wage, whichever is less. While the Ways and Means Committee changes are all for the better, they do not go as far as provisions contained in legislation introduced by my colleague, Congressman CULVER—which I cosponsored—which would raise benefits to 85 percent of average weekly wages.

Even with these and other improvements in adjustment assistance contained within H.R. 10710, it seems to me that in the longer run we should adopt a new approach altogether—one that will work not only to assist those who have problems, but which will help to avert the creation of those problems.

Specifically, we should adopt a broad industry assistance program along the lines proposed by the President's special trade representative, Mr. Eberle. Such a program would assist industry to increase its productivity. It would reward competitive strength and efforts to achieve it, rather than concentrating assistance on poorly managed firms that are on the brink of financial collapse, already suffering from an inability to meet world competition. It would realistically face the market situation, and move to ease the very real human problems of adjustment assistance that a growing and healthy economy must inevitably face.

In the meantime, we should pass, as an interim program, legislation such as that offered by my colleagues, Congressmen CULVER and VANIK, which is now pending before the Ways and Means Committee. It should include an assistance program for communities severely affected by the prospective or actual closing of a major employment source. It should provide low-cost, easily available loans to any firm in a trade-impacted industry for the purpose of revitalizing and strengthening those firms. It should establish better means for forecasting trade-related problems in domestic industries. It should expand upon assistance to workers, emphasizing training, relocation, and fringe benefits, with special help given to older workers. It should provide incentives and assistance for research and development into projects that would create new job opportunities, and reward firms on their merits.

This is the outline of the kind of adjustment assistance program that I believe should be at the core of our trade policy, and which I will continue to support. The bill before us today does not accomplish all these goals, but will nevertheless prove a benefit rather than a detriment as our country heads toward another unnecessary recession. I support H.R. 10710, as part of an effort to create and protect jobs dependent on exports, and to stimulate our entire economy. I urge my colleagues to give their support to this important legislation.

Mr. RARICK. Mr. Chairman, our people are bombarded daily with news of some new shortage. A gasoline shortage,



a bread shortage, a newsprint shortage, a grain shortage, a beef shortage, even a bailing wire shortage has been reported. Americans were informed by the Washington Post this morning that they can expect in the near future a toilet paper shortage. Perhaps this final indignity to the American taxpayer will cause enough of an outrage by the public that the international giveaway and tradeaway specialists will realize that we had better place the best interests of the American people first in all our dealings with foreign powers.

This bill is a far cry from that goal.

It certainly does not put the best interest of the American laboring man first. Rather than secure his employment, the authors of this bill obviously anticipate widespread unemployment if the provisions of this measure are implemented. Title II, "Relief From Injury Caused By Import Competition," goes to great length to detail how workers who lose their jobs to foreigners will be "helped" by the Government. Title II, in effect, is telling the American worker:

Now that we have exported your job in the name of a "fair world economic system" and you are out of work (injury caused by import competition), the government will generously dole out some money to you (Part I "Trade Readjustment Allowances"), teach you a new skill (Part II, "Training and Related Services"), and then help you get a new job even though it may be far away from your home (Part III, "Job Search and Relocation Services").

What generosity. The very same law which puts the worker out of work, picks him up, dusts him off, and ships him to a new job in a strange part of the country. How much more simple and economical it would have been to have never imposed this unnecessary hardship on our workers in the first place.

Evidentially, the authors of H.R. 10710 foresee numbers of American businessmen being wiped out by the ill affects of this bill. There are provisions included in the bill for our business community, similar to those of labor, when they go bust, because of Government intermeddling with the free enterprise system.

In fact, a more apt title for this legislation would be the tradeoff bill, since it trades off and redistributes U.S. wealth and job opportunities worldwide.

The only advantages of this legislation will be realized by the international cartels, who have the economic power to expand and protect their interests; interests which may not necessarily coincide with those of the American people. This windfall of a "Balance of Payments" monopoly will be reaped by a select handful, not the small businessman and not the laborer.

The very phrase "balance of payments" is a misnomer when applied to all nations. How can the United States have a favorable balance of payments with all countries, when many countries have nothing to sell us that our people or industry want or need. Nothing, that is, unless we create an artificial U.S. market for their products, and in the process, destroy our own domestic producers.

There can be no balance of payments in the sales of our agriculture products abroad when we continue to follow the

economically disastrous concessional sales under Public Law 480. Under this "stimulus to economic growth," Mr. Chairman, if the host country does pay us for our agricultural goods—at low interest, long term rates—we often agree to leave that money in the host country for use there. This is hardly "balance of payments."

The simple fact is, there can be no true balance of payments unless and until there is an even distribution of wealth and jobs around the world, under some form of one-world government. And this, Mr. Chairman, is what this bill works toward, and it does it exceedingly well.

I insert in the Record the related newsclipping, which illustrates my point, following my remarks:

#### EXPORTS FROM UNITED STATES TO POLAND RISING

American exports to Poland in the first six months of 1973 reached \$197 million; the figure for the same period last year was \$45 million.

Since the ouster of Wladyslaw Gomulka from the leadership of the Polish Communist party three years ago, the new leader, Edward Gierek, has reversed a conservative attitude toward modernizing the country's economic base through the use of foreign credits. The Export-Import Bank, a United States agency, began underwriting such loans this year.

Increased trade—Polish exports to the United States have risen at a more modest rate from \$64 million in the first half of last year to \$84 million this year—is accompanied by a lively flow of official and trade missions. American companies in most business fields regularly include Poland in their exploration for export markets.

Criticism of the United States in official pronouncements or in the controlled press has been muted. Poles know more about the embattled status of President Nixon from the American official and quasi-official broadcasts beamed here by the Voice of America and Radio Free Europe than from their own press and broadcasts.

It is not unusual for Polish officials receiving American visitors to enter a mild defense of the president.

Similarly, Polish news coverage of the recent Middle East War and America's active support of Israel was far more moderate than the zealous and inaccurate reporting of the 1967 war.

American access to Polish officials, highly restricted in the past, has become easy at all levels. The ambassador, Richard T. Davies, became the first American envoy to be received in private audience by a Polish first secretary when he called on Gierek a year ago.

Gierek is known to hope that next year he will be come the first leader of Poland's Communists to make an official visit to the United States. An invitation was extended during Nixon's visit last year, but no date has been set.

These developments are in line with similar trends in the other countries of the Soviet bloc since the United States and the Soviet Union set their foreign policies on a course of relaxation of tensions.

Over the last four years the U.S. government has sponsored more than \$29 million in scientific research projects on its behalf by Polish scientists.

The research is conducted on commission by a number of American government agencies over a wide range of disciplines. They include many branches of medicine, agriculture, environmental protection, mine safety, astronomy, alcoholism, traffic problems, nuclear physics and chemistry.

The funding is from the large zloty hold-

ings of the United States accumulated as a result of eight major sales of American agricultural products, mainly grain, from 1957 to 1964. The total zloty earnings of the United States amounted to \$519 million, of which about \$300 million is left.

Mr. WOLFF. Mr. Chairman, as chairman of the House Special Subcommittee on International Narcotics Control, I wish to rise in support of an amendment to the Trade Reform Act which was proposed during committee consideration of the bill. This provision, which I have co-authored with my colleague, CHARLES VANIK of Ohio, a member of the Ways and Means Committee, allows the imposition of strong trade and investment embargoes against any action which fails to take vigorous action to halt illicit narcotics traffic and production within and across its borders.

This clause will encourage nations which have been lax in controlling the production and flow of heroin within their borders to tighten up their security operations. I urge my colleagues to support this stipulation and unite with me in the effort to fight the narcotics menace.

Mr. DONOHUE. Mr. Chairman, although I am not now and never have been opposed to fair trade agreements legislation, I am strongly impelled to act in rejection of this pending reform bill in its present composition and under current circumstances.

If this proposal were truly a reform measure, in the sense and reality of establishing agreements that would make such trade expansion fair to our own domestic industries and their employees, in equal competition with foreign industry imports, a very different situation and appeal would be presented to those of us who have been advocating and supporting fair trade for a good many years.

However, and most regrettably, a great many recognized authorities agree with a good many of us that this measure does not represent the full promise and projection of an acceptable fair trade bill. For instance, this bill grants new and extremely broad powers to the President to enter negotiations and initiate agreements that would permanently alter the structure of our trade relationships and the domestic economy.

The expanded import programs embedded in this measure will unquestionably accelerate the disastrous decline and expiration of domestic industries, such as the textile, shoe, leather, machine tools, steel, electrical appliances, and a long list of others that are so vital to the sustained economy of my own home region and the entire Nation.

Beyond these alarming potentials let me add that the labor and industry protections that are suggested in this measure have proved substantially inadequate to their intended purpose in the past and there is no new convincing justification for their acceptance now.

Mr. Chairman, I submit that an effective trade reform bill should very clearly evidence the same genuine concern for the wholesome survival and maintenance of our own American industries and their related job opportunities as it does for foreign competitors but, unfortunately, this measure is quite

far from any persuasive indication that such would be its welcome result. Those of us who have maintained a steadfast concern for our essential regional and national domestic industries and their employees ask only for a constructive measure that will actually provide fair and reasonable adjustments and considerations to these beleaguered American businesses and citizens in order that they may have an equal chance to compete in our domestic markets with excessive foreign imports and I emphasize that an equal chance is all that these good citizens want. It is their just entitlement and the proposal before us simply does not grant them such entitlement.

The record shows that instead of the astronomical number of new jobs that were supposed to be created as a result of the 1962 Trade Expansion Act the reverse occurred and the foreign trade and investment policies of that act projected the loss of some million jobs and job opportunities since 1966.

Mr. Chairman, beyond these factors let us not be unmindful of the presently weak position of the President as viewed by the "hard bargainers" abroad; that many of our foreign competitors have very recently demonstrated, in connection with the Arab oil embargo, an overriding concern for their own economic self-interests ahead of any consideration for the United States; that the same Arab oil embargo should be a persuasive warning against our past American tendency to become dangerously dependent upon foreign sources of supply for key strategic and consumer goods; that the sudden and vastly uncertain projections of the energy shortage generate an entirely new economic complex the overall effect of which should be more thoroughly and carefully explored before any new foreign trade agreements are made; that this bill contains virtually nothing, by way of tax impact or other restrictions, to sensibly regulate U.S. based multinational corporations which export jobs, capital, and technology in return for imports which displace U.S. products; that another adverse obvious effect of the provisions of this bill would be to endanger our current and prospective laws to strengthen product safety, consumer protection, and environmental standards. These and a host of other deficiencies in this measure create much more than a reasonable doubt that this bill can achieve the purpose for which it is sincerely intended.

I would urge therefore, Mr. Chairman, that the measure should be returned to its committee of origin for further revision in accord with the changing national and international economic circumstances that have recently arisen and for the addition of strengthening amendments for the correction of certain protection deficiencies that have been revealed in the past operation of substantially similar legislation.

Indeed, Mr. Chairman, the administration itself has three times promoted postponement of congressional action on this measure and it is most difficult to see why we should be urged to immediate action now.

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On this score, let us not scorn the old adage that has been so often proved to be historically right, namely, that action in haste may well make us repent at leisure. But most of all, in this very troubled period of our history and in the face of so much skepticism throughout our country, let us take the time and the thought to persuade our own people that, before all other appeals however good and worthy they may be, this Government is first and primarily concerned with the welfare of each and every American citizen and family.

Mr. MILLER. Mr. Chairman, a tangential issue to this trade reform bill now before the House is coming up later this afternoon when we take up the foreign aid appropriations bill.

Over the past 26 years, foreign aid has cost the American taxpayers \$253 billion. This tremendous outflow of dollars that has circulated throughout the world is also one of the major causes of the international monetary crisis and recent U.S. trade deficits.

Just as this trade bill makes a break with previous policy so must the present foreign aid program break with the past. We simply cannot afford to continue to go down the same old road of sending money abroad and getting nothing in return.

If foreign aid can be reformed so that the American people can get something of value for the money and expertise we ship overseas, trade reform would be enhanced and more meaningful.

Right now a fierce global struggle is underway for available natural resources, not just petroleum, but zinc, copper, iron ore, phosphates, and many other critical minerals which form the basis for an industrial economy.

If we do not act soon, the United States will face a mineral crisis as devastating as the current energy crisis in terms of unemployment, product shortages, inflation, and public hardship. The American people are vulnerable to mineral embargoes and price gouging unless we secure assured access to foreign mineral resources.

Last July I proposed an amendment to the foreign aid authorization that would provide for the exchange or barter of U.S. foreign aid for strategic or critical raw material, minerals, and fossil fuels which have been or are being depleted in this country.

I hope my colleagues will read page 7 of the Foreign Assistance Appropriation Committee report regarding the committee's view that such exchanges should be considered and the remarks I shall offer when the bill is debated.

Mr. DRINAN. Mr. Chairman, I rise in support of the Trade Reform Act because, despite my reservations, H.R. 10710 is essentially a free trade bill. Despite broad grants of negotiating authority to the President, these grants are subject to preapproval and postapproval congressional action. The bill permits the President to reduce American tariffs and modify or eliminate nontariff barriers in exchange for the reduction by other countries of their barriers to trade. The significance of the President's power to negotiate reductions through elimination

of nontariff barriers lies in the fact that nontariff barriers, more than tariffs, are barriers to trade. Nevertheless, these provisions are properly subject to congressional approval. The Congress retains a veto over the elimination of any specific nontariff barrier, thus limiting the President's independence and preserving for the Congress some degree of control over our foreign economic policy.

The bill before us also improves the trade adjustment assistance program. Access to that program has been eased considerably, and program benefits, particularly for workers, would be improved. The maximum trade readjustment allowance for any week would be increased from 65 percent to 100 percent of the average weekly wage in manufacturing, which translates to a raise in the maximum payment from an estimated \$111 to \$170 per week in 1974.

In addition, employment counseling, testing, placement, and other supportive services would be available to affected workers. This will hopefully represent a substantial improvement in the trade adjustment assistance program, which under present law has not been successful.

In title V of this bill, the United States is given the authority to make good on its longstanding international commitment to permit less-developed countries to increase their exports to the U.S. market. The European Economic Community and Japan have already extended some form of preferential treatment to these manufactured products, leaving the United States as the only major western industrial nation which thus far has not yet fulfilled its commitment to extending duty-free treatment to a limited number of products from less-developed countries for a limited time and with adequate safeguards against injury to American industries and workers.

Finally, the passage earlier today of the Vanik amendment to title IV, ties freedom of immigration to the grant to nonmarket countries—such as the Soviet Union—of most-favored-nation treatment.

My colleague and distinguished economist Mr. REUSS stated succinctly one of my principal disappointments with this legislation:

It is regrettable that the trade bill includes no provision to change the tax treatment of multinational corporations. American subsidiaries should pay similar taxes on the profits from their overseas operations as their parents do here on earnings from domestic operations.

Mr. Chairman, our Government needs the authority to participate in the new multilateral trade negotiations under GATT, the general agreement on tariffs and trade. Notwithstanding my reservations in the legislation before us, I believe that open and vigorous trade is essential to maintaining friendly relations with the rest of the world. The present round of GATT negotiations is scheduled for completion by the end of 1975. This bill will enable the U.S. delegate to those negotiations to negotiate with adequate power.

I believe that our economy will be helped by this hopeful step forward toward open and nondiscriminatory



trade. I am satisfied that the authority granted to the executive branch in this bill is heavily safeguarded and that the objectives of expanded world markets for U.S. products and the creation of additional jobs for American workers will be achieved.

Mr. SCHNEEBELI. Mr. Chairman, the Trade Reform Act of 1973 represents many months of work by the Ways and Means Committee. I want to pay special tribute to the assistance and cooperation that we received from Ambassador William R. Pearce in developing this bill.

Bill Pearce was instrumental in developing the recommendations that the administration submitted to Congress. He ably presented the administration's proposals to the committee and was particularly helpful in outlining the trade problems which we face as a nation. While ably representing the administration's point of view before the committee, he did so in a spirit of compromise and cooperation without sacrificing the goal of achieving responsible trade legislation necessary to shape America's future trade policy.

Development of the Trade Reform Act of 1973 was truly a cooperative effort and an important source of this cooperation was Ambassador Pearce. His deep knowledge of trade problems, his understanding of the important role Congress must play in trade, and his commitment to a sound trade bill enabling us to move forward with our trading partners were deeply appreciated by the committee. I want to take this opportunity to commend Ambassador Pearce on the sustained commitment he has made over the past year.

Mr. GUDE. Mr. Chairman, I support the amendment to title IV of the Trade Reform Act of 1973. It is urgent that the full Freedom of Emigration Amendment, most specifically, a prohibition on the granting of U.S. Government credits and credit guarantees, be adopted at this time. While pleased that the Ways and Means Committee has included language in this bill denying most-favored-nation status to nonmarket economy countries which deny their citizens the right to emigrate freely, I feel this was not enough. The denial of loans, credits, and guarantees to these nations is the heart of the economic issue here.

Despite repeated protests to the contrary from Soviet officials, it is quite clear to us that harassment of Jewish citizens continues, and without letup. Those applying for exit visas continue to be denied permission on arbitrary grounds—or no grounds whatsoever; they simply face repeated delays or lack of any official response to inquiries on their behalf.

I believe strongly, Mr. Chairman, that we must grasp this opportunity to put economic force behind our protest to the Soviets of their repressive treatment of their citizens. It is apparent that mere discussions of this issue with Soviet authorities have little value in effecting real change. And dramatic change is imperative. I urge my colleagues' support of this amendment.

The CHAIRMAN. All time has expired. Under the rule the bill is considered as having been read for amendment. No

amendments are in order except amendments offered by the direction of the Committee on Ways and Means, an amendment offered to section 402 of the bill containing the text printed on page 34311 of the CONGRESSIONAL RECORD of October 16, 1973, an amendment proposing to strike out title IV of said bill, and an amendment proposing to strike out title V of said bill but said amendments shall not be subject to amendment.

Are there any committee amendments?

Mr. ULLMAN. Mr. Chairman, there are no committee amendments at this time.

AMENDMENT OFFERED BY MR. VANIK

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

The CHAIRMAN. The Chair will inquire of the gentleman from Ohio if this is the amendment which is made in order under the rule?

Mr. VANIK. Mr. Chairman, the amendment is made in order under the rule.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 129, line 25, after "treatment," insert the following: "such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly."

Page 130, line 20, strike out "and (B)" and insert the following: ", (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C)".

Page 131, line 6, after "received", insert the following: ", such credits or guarantees extended."

Mr. VANIK. Mr. Chairman, in recognition of the limitation of time under the rule, when the Committee rises I will ask in the House that all Members have 5 legislative days in which to revise and extend their remarks at this point in the RECORD.

Mr. Chairman, the amendment being offered would restore the original language of the freedom of emigration amendment cosponsored by 289 Members of this House.

The committee accepted the part of the original amendment denying most-favored national tariff status to nonmarket economy countries denying freedom of emigration.

On a procedural vote of 12 to 12, the committee deleted the provision denying loans, credits, and guarantees to these nations.

This is a crippling omission. The last 2 years of trade with the Soviet Union have been carried on without most-favored-nation status but with credits. Soviet trade is substantially in nontariff items. Most favored nation is largely status. Credits are the real economic force.

If our concern about human rights and the type of nations we trade with is real, then we must adopt the credit amendment now before the House. This amend-

ment will show our potential new trading partners that we will require some basic consideration of human rights—that some system of regular and equitable emigration policy is expected—a nondiscriminatory, humane system free from terror and impossible conditions—a system that reflects respect for the United Nations Declaration of Human Rights.

This amendment is not an interference in the internal affairs of other nations. Since when does a condition on granting credits supported by the taxpayers of the United States constitute an interference with another nation's internal affairs? We have no duty or obligation to extend lower tariff rates or billions of dollars in loans—these are not the rights of foreign nations. They are gifts that can be offered by the American people under conditions set by the American people. The granting of these privileges are an internal affair of our Nation. It will be more difficult and dangerous to withdraw these privileges once given. Therefore, they must be given with the utmost care.

The passage of this amendment does not violate the properly given constitutional pledge of any American official to a foreign country. Power over taxes and tariffs and power over the purse are congressional powers. They should not be casually promised away without fully consulting the Congress.

It is argued that we have human rights problems of our own. I offer this amendment in the full humility that we are not perfect—and with the conviction that if we abandon this cause, we would be less worthy. This amendment is in the American tradition. It is similar to the 1911 abrogation of our commercial treaty with czarist Russia over that regime's massacres of its Jewish citizens.

It is said that quiet diplomacy will make this amendment unnecessary. That is the same thing the State Department said all during the 1930's about the plight of German minorities. The discussion of this amendment may already have been of help in the education tax issue. In spite of all the dangers involved for them, the people relying on this amendment have begged us not to give up this issue. Today's newspapers report a letter from 188 persons from 10 Soviet cities to the United Nations protesting restrictions against Jews in the Soviet Union. Today's newspapers also tell us that courageous Andrei Sakharov and his wife were both admitted to a hospital. In traditional Soviet methods of reporting, the reason was not given.

This amendment does not block trade needed by America. There is no security for the United States in the oil and gas fields of Siberia. Credits are unnecessary to a country with \$20 billion in gold and which continues to make a disproportionate commitment of gross national product to its military. Even the just-retired head of the Export-Import Bank admits that it is foolish to make loans to a country which denies normal business data. Why are we in such a hurry to buy détente, even when we have reports that Soviet leaders say détente is a 15-year strategy to gain economic su-

priority? How can we justify an energy development in the Soviet Union financed by U.S. taxpayer funds in view of the events of last month when the Soviet Union canceled its commitment—to five Western European countries?

The amendment does not block trade with the East. It is a major step toward defining trading conditions to our mutual benefit. As the committee report indicates, expanded trade with certain Eastern European countries should soon be possible.

The passage of this amendment will be a reminder to the world that America is still the hope of free men everywhere.

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

Mr. Chairman, let me make my position clear. This amendment came up in committee. The committee rejected this amendment on the ground of jurisdiction and not on the ground of substance. The committee, when it went before the Committee on Rules, was neutral, and my objection to the amendment lies primarily in the fact that the jurisdiction here lies with the Committee on Banking and Currency.

This is a very complex matter that should have had extended public hearings. We are moving here out of the proper jurisdiction, and without the proper background for study. That is the basis for my opposition to the amendment.

Mr. BELL. Mr. Chairman, I rise in support of the amendment offered by my colleague (Mr. VANIK) to add credit restrictions to title 4 of the Trade Reform Act.

I have always supported the principle of allowing people the right to choose where they wish to live.

We know that this is not the case in all parts of the world today.

I cannot condone the idea of the United States granting trade credits and guarantees to those nations which deny free emigration.

We cannot look the other way and ignore the plight of fellow human beings who do not have the right to determine where they can live.

Administration and congressional support for granting trade concessions to Russia increased with the announcement of the termination of special levies directed against those seeking to emigrate from the Soviet Union.

It was believed by many that this resolved the problems relating to emigration in Russia, but this is not true.

The Soviet Government has simply changed tactics.

Special harassment and new exit tax policies are now being applied to Jewish families with children who are attempting to leave Russia.

This has resulted in 3-week-old babies being listed as traveling alone and, thus, subject to levies.

This convinces me that there has been no permanent relaxation of Soviet hostility to Jews, particularly emigrating Jews, and that trade concessions which we extend to Russia because of a presumption of changed policies in this area are not deserved.

It is also believed that denying exten-

sion of credits to Soviet exports is not a proper or even an effective way of dealing with the problem of Soviet Jewry.

Mr. Chairman, I submit that it is entirely proper, extremely effective, and absolutely necessary.

For example, this Congress, under the leadership of President Washington, instituted a limitation on commerce on March 26, 1794, designed to cause Great Britain to rescind its notorious orders in council.

President Jefferson terminated all American foreign trade in 1807 for much the same reason.

More recently and more in point, in October 1960, the United States imposed an almost total embargo on trade with Cuba in an attempt to influence Cuba's very form of government.

And in July 1967, the United States joined in a United Nations embargo against Southern Rhodesia for the express purpose of altering that government's policy toward its black residents.

Thus, there is adequate precedent for the step that I am urging you to take.

Perhaps the essential distinction between the historical examples I have cited and the freedom of emigration measure is that the previous actions involved the withholding of previously ongoing trade relations; today we do not propose to interfere in any way with ongoing relations, but merely to condition a new concession, on our part with a concession by the other side.

I would also like to emphasize that the plight of Jews within the Soviet Union simply cannot be classified as an internal problem of that nation.

To my mind the history of the Jewish people, and especially the 20th century record, is such that no human being, no matter what his country or religious belief, can justify closing his eyes and mind to their plight.

In that sense the problem of Soviet Jewry is truly an international one.

Of course I favor the relaxation in tension between the Soviet Union and the United States, and of course I fully support the expansion of economic relation between the two central powers in the world.

But there is no need whatsoever for the United States to relent at this time and our insistence on freedom of emigration is consistent in the record of history. Correct in the annals of international law, and essential to the moral standing of our Nation.

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

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

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, like most of the Members of this Chamber, I have supported Israel in the past and will, doubtless, support her in the future. Like most Members of this Chamber, I am profoundly skeptical about Russia. Like everyone in this Chamber, I deplore the denial of human rights and free emigration which has characterized the Russian regime from time to time. Any Communist country which does not have walls and barbed wire at its borders is

likely to be diminished thereby, particularly with respect to its intelligentsia.

The emigration tax is part of that wall and that barbed wire, and there are, of course, many other devices available to an authoritarian regime to prevent emigration. This measure looks only to the emigration tax as a condition of trade negotiations.

Peace in the world depends on two things: American strength, and the encouragement of a climate in which progress can occur. Americans are sick of confrontations, and there is plenty of evidence that the Russians are sick of it, also, when the risks are so high.

The Vanik amendment is another confrontation, this one a legislative confrontation. It is the imposing of an absolute condition before normal trade can be even explored. Its rigidities conformed the first step toward commercial détente.

There has been progress in emigration from Russia and this will jeopardize it. For the last 2 years 30,000 Russian Jews a year have been permitted to leave with a waiver of the emigration tax. In October, during the Middle East war, 4,500 were processed for emigration documentation. The probability is that if we find some other device, instead of using elimination of the emigration tax as a condition precedent to trade, to keep continuing pressure on the Russians, we will be serving the cause of Soviet Jewry better than we are by drawing this line and encouraging confrontation on this issue.

That the effects of the Jackson-Vanik amendment are mischievous is evidenced by the delay the administration has requested up to this point. The President and Dr. Kissinger fear its mischievous effects. If anybody is interested in having a trade bill, it is the administration and President Nixon, and yet they have consistently put it off solely out of concern for the repercussions if the amendment is adopted.

Trade is neutral. It does not get involved with ideology. It will not happen unless there is mutual advantage. It will give the Russians a vested interest in peace and a greater concern for what we think of them. It will provide a form of contact more constructive than the military and political confrontations of the past.

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

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

Mr. SCHNEEBELI. Mr. Chairman, I believe the gentleman will agree with me that neither the State of Israel nor any of its representatives in the United States ever asked us to support this restriction of credit sales to the U.S.S.R.

Mr. CONABLE. Not as far as I know. I think there is a serious question about this as a tactic and although many people seem to believe it will be the most effective, I really question whether it will.

Mr. SCHNEEBELI. Because the State of Israel itself extends most-favored nation treatment to the U.S.S.R.

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

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



Mr. OBEY. I want to express briefly to the gentleman in the well that it may very well be we should not grant the Russians credit, but to tie it entirely to this question, to the Soviet-Jewish question in my judgment will result in having the Soviet Jews used as scapegoats by the Kremlin. I know it is designed to help the Jews but I believe it will hurt them. I respect the purpose of the gentleman from Ohio in offering this but I believe it will have the opposite effect.

Mr. CONABLE. Mr. Chairman, I urge opposition to the amendment, sharing the concern of the gentleman from Wisconsin.

Mr. DELLUMS. Mr. Chairman, I rise in support of the Vanik amendment. This amendment strengthens our commitment to human rights and our sense of responsibility in human affairs. In my opinion, the principle on which the amendment is based should be extended to our entire foreign policy.

Some say that this constitutes interference in the internal affairs of other countries. But it not interference to choose our trading partners, to maintain some standards about whom we do business with. The Soviet Union has shocked the entire civilized world with its relapse to the crude czarist repression of the Jews—one of the barbarities their revolution in 1917 was supposed to end once and for all. To destroy a community at its heart, its religious self-expression, and to prohibit the reconstitution of that community where it will no longer be a source of irritation to the Soviet Government and its desire for control—this strikes me not just as Realpolitik, now-ever repulsive, but as gratuitous cruelty.

I call upon my colleagues to reject a false idea of détente that would have us close our eyes to the consequences of our acts. The Soviet Government can attain further economic growth in two ways: By liberalizing its internal policies or by relying on the United States and the other advanced countries to bail it out. I see no reason to hinder trade, but I also see no reason to help the Soviet Government maintain its grip without concessions to its own citizens. This amendment would allow trade only when a minimum standard of human rights is met. Surely, we can do no less.

Mr. BAUMAN. Mr. Chairman, one portion of the Trade Reform Act of 1973 (H.R. 10710) now before the House has taken on unusual importance, as we all know. The way we vote on title IV will signal to the world the degree to which America still values the cause of human freedom. I would like to address my remarks to this section.

It is axiomatic that we rarely truly appreciate something of value until we are without it. As a corollary, it can be said that we tend too easily to take our material wealth, and our liberty, for granted.

As a result, many Members will argue here today for a policy of granting generous trade advantages to the Soviet Union, giving little thought to the plight of the millions who must continue to live under the heavy yoke of totalitarian Communist rule.

I have no doubt that those who hold this view sincerely believe that such a move would be in the best long-range interests of world peace. But I also have no doubt that they are wrong.

One argument advanced against the amendment offered by the gentleman from Ohio (Mr. VANIK) to the Trade Reform Act is that it will have no effect on Soviet emigration policy, and that even if it did, we have no business meddling with the "internal" affairs of another nation. This amoral judgment, made without concern for the plight of those who are imprisoned for their beliefs, or those who are sent to "mental institutions" or forced labor camps, because they dare to differ publicly with Soviet policy, saddens me more than it angers me.

The economic advantages of new trading arrangements, as I shall explain shortly, are minimal for the United States. We even run the risk of getting burned. But to hand over extraordinary trade benefits to a Communist regime which differs from the Stalin era in style only is to me unconscionable. We have the capacity to strike a blow for human freedom. The Soviets need trade with the United States badly if they are ever to drag their economy out of the stagnation to which communism has relegated it for more than 50 years. If they want it badly enough, they will offer something in return. They have little in the way of industrial products to offer, and the volume of raw materials we can expect to import from them will be small in contrast to the vast amount of technology, manufacturing equipment, and capital which they want in return. But one return which we can ask will cost them no money at all. It is freedom for Soviet Jews, intellectuals, and many others who long to leave that Communist state.

Those who see this measure solely in economic terms only ignore two centuries of American dedication to the cause of human freedom. We must not now walk away from those who plead for our help. Those who argue that the chances for success are small ignore the fact that a chance exists. I, for one, believe that the Vanik amendment ought to be adopted in toto, with a prohibition of both most-favored-nation treatment and credits and credit guarantees, unless Soviet emigration policy is changed.

Some argue that such an amendment would imperil the era of détente which has been carefully pieced together by the President and Secretary Kissinger. Anything which would slow the shaky movement toward détente, the argument goes, must be avoided at all costs.

Some take a slightly more sophisticated approach, arguing that an era of peace must be built on a carefully constructed interdependence between the United States and the Soviet Union. They contend that the development of strong mutual vested interests in continued trade will prevent future hostility, and provide incentive for accommodation.

I fear that their argument is built on falacious reasoning and ignores history. It is based on an assumption that the

trade will be substantial and long term, and that it will supersede in importance all other considerations for the foreseeable future. It should be obvious to all that the Soviets are not interested in buying much in the way of consumer goods from the United States. They want the highly developed technology which, in many areas, only the United States can supply. Sophisticated computers, highly technical manufacturing processes, and American investment capital are what they are seeking. It does not take a genius to figure out that once the Soviet Union has obtained the technology which its industrial sector cannot provide, their use for the United States will diminish rapidly. Once their factories are built, once their oil and natural gas supplies are located and drilling and transportation equipment are installed, once their science and industrial sectors have copied and put into production highly sophisticated American equipment, what will keep them from expropriating American-owned industries, or ignoring further trade obligations and defaulting on their debts?

Just as importantly, once we have become dependent on certain supplies of Russian raw materials, such as chrome, oil, or natural gas, what is there to prevent the Soviets from cutting off shipment of those supplies in order to punctuate some new demand in the realm of foreign policy? And make no mistake, raw materials are about the only product from the Soviet Union that we can use.

Thus, the "interdependence" which forms the cornerstone of this new policy toward the Soviet Union is questionable at best. We get the worst of the deal in several ways. The Soviets need what we have to offer far worse than we need any Soviet products. In order to give them the technology and investment capital that they need so badly, it is somehow felt that we must give them the most advantageous terms possible. Thus, we will wind up giving them long-term credits at low interest rates which are unavailable to some of our best clients. These credits will either be provided by the American taxpayer, or underwritten by him, and the interest rates being given to our new friends in the Soviet Union will be lower than those available to you and I. Meanwhile, with Americans supplying the investment capital needed to develop their natural resources and build their industrial economy, they will be free to spend the money thus freed on other things, and few can doubt that it will be spent on military hardware. And in return for all of this, we will be getting some raw materials that we could get elsewhere without the attendant costs and risks involved.

I simply cannot understand what the Soviet Union has done to earn such favorable treatment from the United States. Was it supplying North Vietnamese troops with the weapons necessary to kill more than 50,000 American soldiers and pilots in Vietnam? Was it supplying Egypt and other Arab countries with the war materiel necessary to start yet another war with Israel? Was it the jailing and repression of thousands of Soviet

dissidents? Was it the construction of a massive military force now superior in many respects to our own—while they talked publicly of détente and peace? Does all this indicate a willingness to enter a new era of accommodation and friendly relations with the capitalist West?

Mr. Chairman, I am not about to suggest that we ought to prevent every American business and agricultural firm from doing business with the Soviet Union. But I do intend to maintain that we should have no part of a scheme which grants so much in the way of cheap credit and special treatment to a regime which puts its dissidents in mental hospitals, and which either forbids emigration or allows it only on the most limited scale. The basic human rights which we so easily take for granted are unknown in the Soviet Union, and while we cannot simply march over there and demand that these rights be recognized, we do not need to reward such a policy with needless generosity on our part.

If U.S. business wish to trade with the Soviet Union, fine. Let them demand cash or pay higher interest rates which are not guaranteed by the taxpayer. Let the Soviets divert a little of the enormous amount of money they are spending on military hardware into resource development or industrial production.

On the other hand, if the Soviet finally relents and grants at least the right to emigrate, if we can at least get this concession in behalf of humanity from that totalitarian regime, then perhaps we can consider another policy. It may be, as some argue, that our action will never change Soviet policy. That may be true. But we will never know unless we try. The rewards to us will be slim, except for the satisfaction of knowing that we may have helped to free some of those who will otherwise be condemned to a lifetime in the prison that is Soviet society. That is reward enough to me.

Mr. FINDLEY. Mr. Chairman, I will vote against the Vanik amendment. I believe the House accepted this amendment without full realization of its implications for our overall foreign policy and for its potential effect on a Middle East settlement.

Although the intent of the amendment is laudable, it will not work. We cannot legislate for the Soviet countries. On this matter, persuasion and cooperation are far more effective than a blunt instrument.

Because we have accepted this amendment without full realization of what its effects may be, I intend to vote against title IV and I urge my colleagues to do likewise. Rather than rush ahead on a course which may prove disadvantageous to us for many years to come, it would be far better to wait and reconsider early next year the issues raised by the title after we have had a chance to study this matter in depth and have seen what progress has been made in the Middle East talks.

Much has been said about the Russian grain sales.

Wheat was only one part of the Russian grain sales; 9.5 million metric tons were sold, having a value of \$567 million.

About a quarter of the wheat sold in 1972-73 remained to be shipped at the end of the fiscal year. The Soviet Union has informed the United States that it does not intend to make further purchases until late in fiscal 1974. Only 30 percent of our total wheat exports in fiscal 1973 went to the Soviet Union.

Corn for feed was the other major element in the Russian grain deal. These sales totaled 3.7 million metric tons in quantity, having a value of \$210 million. The corn sales were not subsidized, although they were eligible for CCC credit, along with the wheat and a small amount of rye.

The credit arrangements for the grains sale to the Soviet Union did not impose an unusual or exceptional cost for American taxpayers. The Commodity Credit Corporation will extend up to \$750 million in credits for Soviet purchases of grain during the 3-year period ending July 31, 1975. During fiscal year 1973 the USSR used \$460 million worth of credits for wheat and corn. In fiscal year 1974 they are expected to use about \$160 million.

The terms and interest rates made available to the Soviet Union are the same as those offered to other countries which import U.S. farm commodities under CCC credit financing. Between July 8, 1972, and May 16, 1973, an interest rate of 6½ percent was applied to all financing approvals issued for grain exports to the Soviet Union. However, in keeping with the rising trend in interest rates since May 1973, CCC credit rates have been increased and financing approvals issued currently for Soviet grain purchases carry a rate of 9½ percent. As of October 8, the Soviets had used \$529.7 million worth of credit and repaid \$31.4 million. They are completely current in their repayments schedule.

The export reporting system instituted in June is a significant improvement in keeping the public informed as to the extent of supplies and commitments for overseas shipments. It will enable the United States to monitor effectively any future large purchases by foreign governments and trading firms in American commodities markets.

In fiscal 1973, U.S. farm exports delivered almost \$13 billion to the plus side of the international account, enough to pay for our fuel imports twice over. The sales of U.S. grains to the Soviet Union were a major factor in this export year, but by no means the only one. Exports to the U.S.S.R. accounted for less than one-fifth of the total U.S. gain in agricultural exports this past year, and we should, therefore, be careful not to overestimate the economic impact of that particular series of sales. The Russian purchases were a part of a total growth of world demand coinciding with a series of crop reverses in literally dozens of countries—none of which could have been accurately foretold.

Advantages of the Soviet transactions for U.S. farmers and taxpayers include the following:

First. The added export market increased the value of farmers' 1972 crops by more than \$1 billion. This has made an important contribution to the right-

ing of the U.S. balance of payments at a time when our need for increased foreign exchange earnings to pay for imported fuel is becoming more and more evident. It also enabled farmers to obtain more of their income from the marketplace, contributing to the \$1 billion drop in Treasury payments to farmers in 1973 as compared to the previous year.

Second. The sales created 30,000 to 50,000 new jobs for Americans and stimulated approximately \$1.5 billion of additional rail transportation, shipping, and other economic activity in this country. For the railroad industry alone, increased grain traffic as a result of the Soviet's purchases resulted in orders for 17,000 additional covered hopper cars, some with capacities up to 198 tons. This expanding business has been an important contributing factor to revitalizing segments of our rail industry, and will insure our ability to continue to handle increased grain movements. The Russian grain sales had important stimulating effects for port cities such as Houston, New Orleans, and Norfolk as well.

Agriculture remains the largest industry in this Nation today. It is related to employment for around 16.5 million people, or one-fifth of the U.S. labor force. Agricultural exports have become increasingly important and have greatly stimulated growth of our agricultural economy and the U.S. economy as a whole. In 1973, we exported the product of 80 million acres, or about 30 percent of our cropland.

Continued growth of the agricultural sector and of exports of agricultural products is essential to the health of our economy. We can insure this growth continues if we are able to exploit all available markets. The Communist countries constitute a market for agricultural products of about 1.2 billion people. We cannot afford to ignore a market this large, particularly when our advantages in agricultural production are so great.

Since 1950, productivity in U.S. agriculture has increased 3½ times, about twice the increase in the nonfarm sector. Meanwhile, growth of agricultural productivity in Communist countries has lagged far behind ours and in several countries has not matched productivity growth in their own industrial sector. Gross production in some countries is increasing faster than ours, but only because their rate of investment is higher. In the Soviet Union, for example, the rate of investment in agriculture is four times higher than the U.S. rate; that is, an average rate of \$34 billion against \$8.87 billion annually.

Our economy is an open one and we must trade in order to purchase the foods, fuels, and equipment we cannot produce efficiently ourselves. In fiscal year 1973 while the trade deficit for non-agricultural products was \$3.5 billion, agriculture piled up to \$5.6 billion surplus. Our agricultural trade surplus with the Communist countries of \$1.3 billion accounted for 23.4 percent of the overall agricultural trade surplus. One-time large grain sales to the Soviet Union accounted for a substantial part of the fiscal year 1973 surplus, but a large and expanding market for our agricultural



products, particularly feedgrains, in the U.S.S.R. and other Communist countries remains if we take the steps necessary to secure permanent entry into that market. Although we can do without agricultural trade with Communist countries if we must, we will pay an unnecessary cost by limiting the market opportunities for our domestic agriculture without good justification.

If the Communist countries are to continue to import from us, they must be able to sell their products here in free and nondiscriminatory competition with other foreign countries. Inclusion of provisions in title IV which potentially will deny these countries MFN treatment will hamstring their efforts to export to the United States. A further disincentive in the form of the crippling Vanik amendment is very likely to convince them that we are not serious about improving our overall relations and raising the level of economic cooperation and could well cause them to turn to other sources of supply or to do without.

A major purpose of CCC credits is to make our commodities competitive. Because of the present tight supply situation, CCC credits are being authorized only in a few exceptional cases, primarily for humanitarian reasons. The Communist countries understand this and are not seeking credits on a basis other than of equality with other areas such as Japan and Western Europe. If credits were authorized, we would be giving them nothing for the present except notice of our good will. If we discriminate against them as provided in the Vanik amendment, it will be a slap in the face which will discourage or eliminate commercial purchases and lose us this large market for years to come and will cast a pall over our whole effort to improve relations with these countries.

The Communist countries have the capacity to operate as nearly self-sufficient autarchies and they can obtain the few essential items that they need from other sources. If continuation of denial of equal treatment causes them to make the hard decision to do without the adjustments they will have to make in their economies will bear heavily on their ordinary consumers. In particular, it will necessitate reversal of current efforts to increase the amount of animal protein in diets of ordinary people. Adoption of this amendment, then, makes life more difficult, not less, for the average citizen in Russia.

There are some potential disadvantages in trading with Communist countries. Some people are concerned that after we have built up our agricultural exports, they will suddenly withdraw from the market and leave us holding the bag. However, experience has shown that once trade is opened, it tends to stay open. More important is the fact that these countries have made a conscious shift in priorities toward provision of more animal protein and consumer goods. For example, in 1971-75, while published Soviet figures on defense expenditures are running at about 18 billion rubles and declining as a percent of GNP, an average annual investment in agriculture of 24 billion rubles is planned.

For the next several years, they are dependent on us to accomplish their goal in increasing meat, milk, and egg supplies primarily by imports of U.S. feedgrains and oilseeds—the agricultural commodities in which we have the greatest advantage and for which we are the only major supplier. We should not lose sight of the fact that the Communist countries are planned economies. There is no indication that they will be in and out of the market. Rather, they are seeking long-term supply commitments from us so that they can proceed with planning of essential domestic programs. Even in the unlikely event that one or more of these countries did withdraw from our export market, all would not do so at once.

I have no quarrel with the intent of the Vanik amendment. I deplore the restrictive immigration policies of some of the Communist countries. However, it is my belief that it will not work. Over the years, embargoes and other restrictive trade measures have been singularly ineffective. I see no reason to believe we can affect the internal policies of other countries by U.S. law—what would be our reaction to a Soviet law designed to promote or deny busing of schoolchildren in the United States or, say, a completely open immigration policy.

In view of the détente that has been developed over the past couple of years, it is increasingly clear that there is opportunity to work out our areas of disagreement with the Communist countries. Persuasion, cooperation, and a deepening of détente shows much more promise than a belligerent and discriminatory domestic political action. The latter can do no good and much harm.

We seem to be proceeding in an orderly way toward settlement of the Middle East issue. I see no reason to jeopardize these efforts for a purpose which will be meaningless if the negotiations are successful. I consider it unlikely that the Soviets would not reverse their emigration policy, once pressure from the Arab nations is removed.

I am, however, very pleased that the language of title IV will not keep the President from extending most-favored-nation status to Romania. The committee report and the position taken by the author of the language, Mr. VANIK, makes clear the intention of the Congress to permit MFN to Romania.

In my view, Romania richly deserves this consideration.

Mr. HAMILTON. Mr. Chairman, I rise in support of the administration's request in the trade bill for the most-favored-nation status for the Soviet Union and I also rise in opposition to amendments to the trade bill that would deny the Soviet Union MFN status, credits, and guarantees unless there were changes in its treatment of its citizens and removal of restrictions on the free emigration of its citizens. And I support the administration's belated request for deletion of title IV if it contains conflicting language.

Title IV of the trade bill, incorporating the administration's request, was not designed to reward the Soviet Union or to express any acceptance or approval

of its domestic policies. Rather, this request was the result of the slow and checkered negotiations between the United States and the Soviet Union seeking to build détente. It must be seen as a natural and small step in the process of allowing normal economic relations to develop between our countries and to complement our ongoing political negotiations to reduce tensions between East and West. At no time during our long and complicated negotiations with the Soviet Union were basic internal changes in Soviet society made a precondition for further development of our bilateral relations.

#### SOVIET EMIGRATION TO ISRAEL

The primary motivation for these amendments to the trade bill seeking modifications in Soviet internal policies for the granting of certain economic benefits has been the uneven and, at times, unpredictable policies regarding the emigration of Soviet Jewish citizens who want to go to Israel.

After years of allowing only a couple of hundred of its Jewish citizens to emigrate each year, the Soviet Union began in late 1971 to liberalize its emigration policies. Americans welcomed this change in policy which has allowed over 50,000 Soviet Jews to leave for Israel.

This progress, however, makes no less objectionable and reprehensible, several features of the Soviet Government's policies toward its Jewish minority of close to 2.64 million citizens. Among the objectionable features, three should be noted:

First, there are many Jews in jail for ostensibly political reasons who have not been allowed to leave and whose only crime appears to be a desire to emigrate.

Second, despite Soviet claims that in 1972 95 percent of the Jews who applied to leave were able to do so, there are perhaps more than 100,000 Jews waiting and praying daily for exit visas that only seem to be forthcoming on a slow, erratic timetable, subject to the whims of particular—and often petty—Soviet authorities throughout the state bureaucracy.

Third, Soviet policies toward the emigration of its citizens have, in the recent past, involved outrageous fees that some Jews must pay to leave the Soviet Union, in particular the education tax. Each Soviet citizen emigrating has had to pay exit fees of about \$1,000 for the privilege of renouncing citizenship and for an exit visa. In August 1972, an additional education tax was put into effect and in December 1972, the tax was refined with a scale for amortizing the education tax liability of prospective emigrants. This fee alone can be well over 10,000 rubles—\$13,200 at official rate of exchange of 1.32=1 ruble. In some cases it can be waived. According to Israeli sources, nearly 20 percent of the Soviet Jewish emigrants after August 1972, had to pay some sort of an education tax, and the tax has been waived in about 400 cases.

The education tax became the focus of considerable administration and congressional attention but recently it has fallen into disuse. While the tax has not been rescinded, it is not being collected and Secretary Kissinger assures us that

we have assurances it will not be reapplied. No American should—and certainly few of us ever would—support any principle other than the right of any citizen in any country to be allowed to emigrate without taxation or other reprisal.

#### BASIC QUESTION

The basic question which remains is how can America encourage more liberalization in Soviet emigration policies and how can concerned Americans best persuade the Soviet Union that we believe it is in the best interest of future Soviet-American relations and détente that irritants in Soviet emigration policy be removed.

#### LINKING UNITED STATES-U.S.S.R. TRADE TO CHANGES IN SOVIET DOMESTIC POLICY

Efforts to tie the further development of economic relations with the Soviet Union to changes in Soviet internal policies present, on different levels, a genuine moral dilemma and a practical negotiating problem. But in neither case is the intense debate between those who are morally sensitive and those who are morally insensitive or between those who seek accommodation at any price and those who demand our Government to exact as many concessions as possible from the Soviet Union for normal business relations.

Americans certainly should never condone the suppression of civil liberties. For more than a half century, we have objected strenuously to the way the Soviet Union treats its people and we should continue to do so today. But hard questions persist:

Should we demand that basic changes in Soviet society be a precondition to good relations in the future?

Should we let the future course of our bilateral relations and détente itself hinge so much on immediate changes in the Soviet Union?

Should we abandon our long cherished hopes for a basic and gradual evolution in Soviet society toward greater pluralism and just recognition of the fundamental human rights of all its peoples for what is, from the Soviet perspective, revolutionary and thus unacceptable changes now?

#### REASONS FOR OPPOSING AMENDMENTS

Mr. Chairman, I oppose amendments to title IV of the trade bill for two basic reasons:

First, the amendments will make more difficult the improvement of Soviet-American relations.

United States policy toward the Soviet Union over a period of many years and during the administrations of all recent Presidents has been characterized by efforts to keep our guard up, but also to expand areas of accommodation in order to reduce tension and promote cooperation. This policy has brought considerable success. It was not achieved by linking one issue to another, but by striving to achieve, wherever possible, a stable and predictable relationship, and by chipping away at Soviet rigidity by emphasizing contacts where feasible.

Recent Soviet flexibility in some areas of mutual interest was the product mainly of private persuasion and quiet diplomacy which suggests that public ef-

forts to force changes in policy will not succeed and could jeopardize the climate of existing détente. The cold war atmosphere of yesterday is slowly changing, in part because we are reducing the threats, angry statements, irresponsible actions and ultimatums and are talking about our differences quietly and through the normal and traditional diplomatic channels. The recent Middle East crisis is a case in point. Détente provided a basis for reducing tensions at a time when irresponsible acts could have threatened world peace.

Our policy toward the Soviet Union requires that we make progress where we can. It does not mean we approve or accept many Soviet policies, either at home or abroad. Our policy merely reflects the mixture of cooperation and conflict that marks American-Soviet relations and our belief that over a period of time, as successful contacts and mutual interests are made and expanded, constituencies for cooperation will be developed in each nation so that neither nation will allow other conflicts to disrupt the cooperation.

The whole course of Soviet-United States relations in the last several years supports the view that private, but firm, diplomacy brings results. It is precisely because the Soviet Union desires better trade relations that we have some leverage in our dealings. We should use that leverage to achieve concessions from the Soviet Union, including changes in its emigration policies, but we should not mortgage our leverage of trade on this single issue of Soviet Jewish emigration. With the possibility of extending credits and MFN status, the United States would have more leverage with the Soviet Union than we would have over most other societies. Centrally planned economies are always planning 5 years in the future, and once we have economic ties and interrelationships with the Soviet Union, it is booked for a medium-term period, because of the inflexibility of its economic machinery. Such leverage should be employed carefully.

United States officials on all levels should continue to remind their Soviet counterparts that Americans abhor capricious, internal Soviet policies, like the education tax, and that their continuation will handicap future political and economic relations. But we should not forfeit the considerable advantage that will accrue to the United States from expanded trade because the education tax is repugnant to us. As we develop our relations with the Soviet Union our opportunities to persuade the Soviets that certain of their policies are unacceptable will be enhanced.

Second, we have no evidence that the Soviet Union is likely to bow to legislative pressure, and good reason to think that such pressure could be counterproductive.

If we try to back the Soviet Union against the wall on this issue, it may react and say no more emigration. We should not expect the Soviet Union or, for that matter, the United States to back down totally and publicly when confronted with a challenge by economic pressure to an internal policy. The So-

viet Union has not done so before and is not likely to do so now.

Legislation linking further trade to removal of the education tax could not only forfeit the political and economic advantage to the United States that can accrue to us by skillful use of trade, but it could also affect the progress that allowed over 32,000 Soviet Jews to emigrate to Israel in 1972 and has maintained a monthly average of between 2,000 and 3,000 this year.

#### CONCLUSION

We all agree that the Soviet Government should liberalize further its emigration policies and let its citizens seeking to emigrate leave for other lands where those citizens feel they can live and work in dignity and honor. I only suggest that the best means to achieve this goal are strong, quiet diplomacy, and persuasion in all official and nonofficial contacts with Soviet authorities. We should be, and I think we are, telling the Soviet Union that if changes in some of its internal policies which Americans abhor are not effected, our relations cannot continue to progress. This approach has the best chance of persuading the Soviets to alter their emigration policies, and to advance our total national interests with the Soviet Union.

The pursuit of peace, then, emanates from a pragmatic view of coexistence. As Secretary Kissinger recently suggested, we "must be concerned with the best that can be achieved, not just the best that can be imagined." The pragmatic approach to our relations with the Soviet Union is, by and large, the approach used by the administration, and it should receive congressional support. I urge my colleagues either to support the administration's original request in title IV without any amendments, or to delete the entire title and have it brought up at a later date.

Mr. PODELL. Mr. Chairman, today's vote on the Vanik amendment will vitally affect the future of the oppressed nationalities in the Soviet Union as well as the course of Soviet-American relations. Courageous dissidents in Russia such as Evgeny Levich and Andrei Sakharov are awaiting our decision.

If we vote down the amendment it will be a signal to the Russian people that we care more for trade than for freedom, that our high flown promises are worthless.

It will show the Russian Government that they can continue to bleed America of her know-how and her resources as long as they pay lip service to a shallow détente.

It is only the strong moral pressure from the West which has provided the limited protection Soviet Jews will enjoy. Tens of thousands have escaped to Israel thanks, in no small measure, to the respect the Kremlin has for the Congress of the United States. Today we must earn that respect.

The administration pleads with us, "Do not jeopardize détente." But what is this détente they are so eager to save. If by détente they mean the recognition by both super powers that a nuclear war is totally unacceptable then no one will argue with them. Surely avoiding a nu-



clear holocaust is everyone's first priority. But beyond that, détente in the sense the administration preaches is a cold and dangerous concept. One that ignores human needs and the breakdown of barriers between Americans and Russians in favor of narrow agreements between the two governments.

We must restore the provisions barring credits and barring most-favored-nation status to Communist nations which prohibit free emigration. The most-favored-nation status has become a symbol in America and Russia for American determination to aid those Soviets denied the rights guaranteed them by international agreements. However, the credit provisions are the true key to impressing the Soviets. Almost all the significant projects the Soviet Union wishes to arrange are dependent on American financing. If we are really going to impress them with our commitment to change we have to turn off the flow of money.

There are three elements in the administration argument. The first is humanitarian. We must apply pressure quietly, we are told, to be effective. As trade and scientific contacts expand Soviet society will inevitably open up. Yet for years it has been public pressure which has worked. Does anyone doubt that Aleksandr Solzhenitsyn would have been silenced long ago if it were not for the furor of the free press?

Romania is the most open of the Communist nations in allowing international contacts; yet they maintain one of the most authoritarian domestic regimes. This is what the Kremlin wants for Russia and this is what Mr. Nixon's plans will allow.

The second argument is economic. We will gain great benefits by trade with the Soviets regardless of its political effects. This argument ignores the simple fact that both sides must have something the other wants. America has a great deal the Soviets want, particularly our advanced technology, our grain, and our money.

But what does the Soviet Union have to offer? There is only so much vodka and caviar that the American market can consume. What of the natural resources of Siberia, oil and natural gas, which are supposedly ours for the taking? In fact extracting these resources is so expensive that the Soviets are increasing their own reliance on Middle Eastern oil rather than exploit their reserves in Siberia. Even if Russian oil becomes an economic feasibility it would be folly to replace our dependence on the Arabs for energy needs with dependence on the Russians.

Finally, the goal of the Kremlin is to use American technology to build an advanced industrial society comparable to our own. Such a society will gobble up natural resources, especially gas and oil, leaving precious little for export to the United States.

The prime example of economic cooperation between our two countries is the wheat deal, popularly known as the "Great American Grain Robbery." We sold one-quarter of our wheat crop at bargain prices to the Russians, forcing prices up at home, cheating American farmers of a fair profit while reaping

windfall profits for a few large grain dealers.

The final touch was added recently by Secretary of Treasury George Shultz. In response to a suggestion that the United States curtail grain exports to Arab nations withholding oil from us, Shultz responded that the Soviet Union could make up any deficit the Arabs incurred, presumably with American wheat.

The most serious administration claim for the merits of détente are political. By working together with the Russians we assure the peace of the world. Their startling proof of this is the Yom Kippur War. Mr. Nixon claims that because of détente and his personal relationship with Brezhnev we made it through the most serious crisis this Nation has faced since the Cuban missile crisis.

One wonders how we reached such a critical confrontation in the sweetness and light world of détente the administration believes in. In fact the Russians did everything they could to aggravate the crisis caring only that a direct confrontation which might lead to a general war be avoided.

The Russians not only had foreknowledge of the Arab attack, but they actually made it possible. Without Soviet missiles there would have been no war. As soon as the war began the Russians poured weapons into Egypt and Syria while we pleaded for restraint. Fortunately Mr. Nixon did not allow Israel to collapse with détente but responded to the Soviet arms airlift.

Even after the ceasefire was achieved the Soviets pushed us, always keeping just shy of any irrevocable actions. Now that negotiations are only weeks away the Russians continue to mouth propaganda while leaving to the Americans the difficult and painful task of reconciling the Arabs and the Israelis. So much for the political values of détente.

A new relationship with the Soviet Union is possible and probably inevitable. It is for us to say what that relationship will be. The administration wants us to embrace the Kremlin with open arms and closed eyes, trusting to the good will of the Russian leaders and the cleverness of our own administration.

So far the Kremlin has managed to steal us blind. The Russians want a great deal from America and we should deal with them on our own terms. There is little economic incentive they can offer at the moment but they can earn our aid by other means.

If they agree to free emigration, if they stop suppressing their most outspoken and noble citizens they will have made a true commitment to a new relationship with America, one that will be worth our aid and support. This change will not come from quiet pressure from the administration, but from the firm stand of the American people as expressed by Congress.

Mr. BRASCO. Mr. Chairman, I rise in support of the Vanik amendment. At last the freedom of emigration question has come before the House, posing a choice to America that will evoke the best from us, or the worst. Essentially, it boils down to the overwhelming majority of the Con-

gress seeking a law that will deny certain trade concessions to the Soviet Union and similar nations whenever they deny their citizens the right or opportunity to emigrate.

When the Vanik-Jackson amendments were introduced last year, the Russian regime made a great show of defending its privilege to abuse its citizens in any way it chose. Certain elements here, both in and out of Congress, encouraged such opposition on their part, quietly assuring the Soviets that with the next Congress, it would not be found in their path. To the enormous credit of the American people, this has not proven to be the case, because the overwhelming majority of our citizens support the rights of oppressed people and have made their feelings known to the Congress.

This has been one of the noblest actions taken by our country in a long time. It can be termed a redeeming act in a time when some have come to doubt our capability to perform in such a manner.

Certain elements in this country have wrung their hands over the magic word "détente" warning that the long sought rapprochement with Communist Russia would die aborning, because of our insistence upon standing up for the oppressed in Russia. Solid congressional support for freedom of emigration gives the lie to their ignoble efforts to sabotage this altruistic policy.

A few business interests, enamored of Russian rubles and major contracts with the Soviets, have tried to trample the hopes of millions for liberty under the eager feet of those consumed with lust for profit at all costs. Those few American companies who have actively pursued policies of this sort stand huddled alone in the public view, exposed for what they really are: Insensitive greed personified and a disgrace to our ideals and best hopes.

Alongside them are their political allies, who, under the guise of seeking understanding with Russia and an end to international tensions, really are rather traditional opponents of the very people whose only hope for freedom lies on our hands. How strange it is that so many of these same opponents of freedom of emigration for Russian Jews have voted previously to use American economic leverage against nations they dislike. Aid to Greece exercises them. Sugar quotas for South Africa incense them. Chrome imports from Rhodesia prick their finely tuned consciences. On this floor they have beaten their breasts, howled their indignation, and demanded vigorous application of our dollar power on behalf of morality, charity, compassion, and motherhood. Would that their moral outrage for human beings were as strong today on behalf of the Jews of Russia.

There are also some who have thumped the tub loudly on behalf of every cause from Tibetan refugees to the plight of the Indians in the Amazon jungles. Worthy causes, to be sure, but not causes where we can have immediate effect, as is the case here. Some here in the United States, however, notable for their radical cast of thought, have taken

it upon themselves to wage a personal vendetta upon the Jewish people, turning a blind eye and deaf ear to their plight in Russia, their murders by terrorists, letter bombs, executions of Israeli POW's, and Munich horrors. All these acts are excusable in their eyes.

How strange it is that so many such individuals have turned against the Jews in this, their hour of dire need. How odd it is that the images of 1945 have faded so much from our view. How sad it is that the world today countenances and even abets the atrocious international double standard now being applied to the Jews in our midst. What a confession of international moral bankruptcy.

We dare not, for our own sakes, turn our eyes from the tragic realities of Soviet Russia today, no matter how we yearn for rapprochement. The Vanik and Jackson amendments have forced the Russians to ease some restrictions on emigration. Yet we dare not doubt for an instant that if we relax the pressure they will almost immediately clamp the lid on the hopes of these people, slamming the door to a new life shut in their faces. Soviet promises are as reliable as the vagaries of the wind. Did we not see a few weeks ago how much they thought of détente? Did we not observe how they were willing to cast the dice, as any desperate gambler, putting détente on the line in the hope for geopolitical gain in the Middle East? Did we not see their sea and air lift? Have we not noted the lengths to which they were willing to go? Have they changed? Will they turn from power politics to morality if asked? I think not.

We must institutionalize our determination to gain freedom for these people, so that others as well may follow the road to freedom by the light of our example. Only a permanent method of pressure, embodied in law, will keep Russia true to her word. Their Constitution is the finest and freest in the world, on paper. Contrasted with the realities of Russian life, it is a disgraceful sham. Also, we should pass this guarantee because the nature of the opposition to it has made it a challenge to amorality in our foreign policy.

Shall we embrace, by refusing to enact this legislation, the concept that a nation has no obligations other than those dictated by pure self-interest? Shall we revive the Metternichean principle that nations have only permanent interests rather than permanent principles and friends? I pray not.

We are confronting these people with a nasty choice; the only one such a regime understands and is moved by. Modify your disagreeable and unjust policies or harm your own economic self-interest. If they choose to oppress their citizens, we can do nothing. But we can make them choose, and it is our obligation to make them do so. To do otherwise would be to fail to use a readily available nonviolent instrument on behalf of an oppressed and driven people who cry out to us in their frustration and fear.

Unpleasant as it is to state this, many foes of this measure are merely unwill-

ing to offend a dictatorship that happens to be a good customer and may become a better one. That is applied amorality, and should be revealed for what it truly is. Any détente built on condoning such institutional outrage is not worth having.

Consider what we are endorsing if we do not take a forthright stand on behalf of the Jews of Russia and other minorities dependent upon their fate in this struggle.

Here is the single most persecuted minority in the history of mankind. Here is a people which stand alone as the only people to have been the victims of organized, assembly line genocide at the hands of a modern, industrialized state. One million Jewish children were gassed, shot, burned, and hacked to pieces by the Nazis. Forget about the Crusades, the Inquisition, Dreyfus, Leo Frank, and all the rest, if you can. Forget about the incredible black blot running across so many pages of man's existence labeled anti-Semitism. Forget about mass shootings, torture, pogroms, auto-da-fes, exiles, and ghettos. Forget about the people of the book, who, still penned up like animals, cry out to the world to be free.

Have we no conscience? Have we no compassion? Do we stand for nothing except a fast buck? Is selling Pepsi-Cola in Russia more important than freeing a family to live differently than their forebears?

Russia has always persecuted her Jews. Catherine the Great loathed them, imposing upon their heads and those of their children a series of restrictive rules that condemned them to lives of frustration and misery. The Romanoffs organized mob violence against these people, accusing them of ritual murders to focus peasant wrath on the Jews and away from their own heads and hands, begrimed with exploitation and sated with exorbitant luxury. The Soviets, led by the infamous Stalin, methodically sought to destroy the religious roots of the Jewish ethos, and failed, ingloriously, as so many others have done before them and will fail in the eras to come.

In international law the foundation of the right to travel is the Universal Declaration of Human Rights adopted by the U.N. General Assembly in 1948. Not that that organization would utter peep number one on its behalf and in favor of any Jew anywhere. Rather, I mention this to strengthen the cause of this measure. Surely, it should be extended to Jews as well as to other political refugees.

The world has not done too well by the Jews recently. So tell me what else is new. We watched the Munich horror without acting against terrorists. Letter bombs, sabotage, economic boycotts, and other measures aimed at these poor people have only evoked further anti-Semitism, some of it on the editorial and society pages of major newspapers. Today the Jews stand alone, for a change. Except for us.

As they mourn their freshly buried dead, perished after a sneak attack upon them that so many seem to condone in the name of "recapturing territories"

we have a chance to signal these and other people that conscience is not dead, that human dignity is espoused by some and that a few nations are yet capable of honorable behavior.

America is no paragon of international virtue. But she is, after all, a subscriber to the elementary rules of decency governing the affairs of men and nations. Foreign policy is, I believe, supposed to at least try to walk such paths.

Those who believe the business of American foreign policy is business can relax. Even if we pass the Vanik-Jackson measures, as I fervently hope we do, the Russians will rave a bit today, but be back at business tomorrow. They care about commerce far more than they do about human rights. Nitchewo, comrades. Just once, would it not be a fine thing for America to do what she should do out of a sense of rectitude, rather than in the traditional cynical way of international dealing?

Sometimes a man or an action expresses the essence of what our country is or seeks to be. Today I am reminded of one such man, who, if alive today, would passionately endorse what the Vanik-Jackson measures seek to accomplish. His name was John Peter Altgeld, Governor of Illinois, 10, those many years ago. Some years before he took office, during the labor strife of the 1870's, there occurred in Chicago the Haymarket riot, where some unknown person threw a bomb that killed several innocent policemen. Anarchists were accused and several were arrested, tried, and sentenced to death. Several were executed, and the rest languished in prison under life terms.

Altgeld discovered that they were totally innocent, after he reviewed the evidence and trial transcripts. He then announced his determination to pardon those remaining in jail. His inner circle reacted violently against that decision, telling him that such a move was political and social folly. After repeated remonstrances by many close friends, he finally responded with one simple phrase that summed up what America meant to him in response to one friend who asked him, "Why are you doing this?"

He answered, "Because it is right."

Altgeld was a Czech immigrant. He knew what America was. A beacon light to the world, rather than a cynical nation which would subordinate its ideals to profit, power, and greed. We, too, are all the children or descendants of those who came here seeking the same dream. Have we forgotten, or will we remember, what it is all about. Will it be a Mammon or Altgeld? I know what we must do. The question is—Will we do it?

Mr. ANDERSON of California. Mr. Chairman, I rise in support of the Vanik amendment which would deny the use of American tax dollars to subsidize credit to those Communist nations which restrict their citizens from emigrating in pursuit of a better life.

We could ignore this matter of human rights. We could turn our backs on the Soviet Jews who have been repressed, persecuted, deprived of basic rights, and prohibited from leaving the country without paying a heavy tax. Perhaps this



would allow some businesses to make a few more dollars; perhaps it would ease tensions between the U.S.S.R. and ourselves.

We could ignore their plight, but I think we are better than that. I think that we honestly believe in freedom and in the principle that none are free until all are free.

I think that we, as a nation, are totally committed to policies which help peoples in other nations gain their freedom.

The Vanik amendment would help this cause by encouraging the Russian leaders to adopt a less restrictive policy toward their Jewish citizens in order to gain trade benefits from us.

This amendment would show the world that we are a nation of people still concerned with the plight of those who are deprived fundamental rights. It will show that we not only talk of freedom, but that we are also willing to stand up for it. It shows that the American people care more about people than profits.

Mr. Chairman, I support this measure not out of any desire to challenge the Russians, but rather to offer a helping hand to the Soviet Jews who need our support.

Mr. ASHLEY. Mr. Chairman, there is no question but that the matter of most-favored-nation treatment falls within the jurisdiction of the Committee on Ways and Means. This cannot be said of the additional language sought to be offered by Mr. VANIK, dealing with Government programs of credit, credit guarantees, and investment guarantees, which lie within the jurisdiction of the Committee on Banking and Currency, the Committee on Agriculture with respect to certain commodity credits, and the Committee on Foreign Affairs with respect to certain investment guarantee programs. It is a matter of record that the acting chairman of the Committee on Ways and Means, Mr. ULLMAN, ruled the very language which is the subject of the Vanik amendment to be nongermane, within the jurisdiction of the Committee on Banking and Currency and out of order—and that his ruling was sustained by a vote of the committee membership.

Far more important, from a substantive point of view, is that there was virtually no testimony taken by the Committee on Ways and Means with respect to the effect of the extension or denial of Government programs of export credit to state trading countries. In fact, the committee print, briefing paper No. 8, of the Committee on Ways and Means indicates that only one public witness testified with respect to the right to emigrate as an amendment to the Trade Reform Act of 1973. I should point out in this connection that the Export-Import Bank Act expires on June 30, 1974, that the administration has requested new authority for the Bank, and hearings before the Subcommittee on International Trade of the Committee on Banking and Currency, which I chair, will be held on this subject early in the next session.

Mr. Chairman, my friendship and support for Israel are a matter of record stretching over a period of more than two decades. I have traveled there extensively and I was one of the early voices in

the Congress to support the intricate water distribution system that has so dramatically turned vast deserts into productive farmlands. Nor have I been silent with respect to the historic policy of the Soviet Union which has precluded its citizens from leaving that country, or to the exorbitant fees required as a condition of emigration in a great number of instances.

The fact remains that the Vanik amendment may well become the law of this land without changing Soviet policy one iota. Is it worth the risk of pushing the Soviets into a decision to cut back on the emigration of Soviet Jews to Israel, now at a pace of more than 3,000 a month?

Can we assume that the Soviets are so eager for trade with the United States and are so dependent on U.S. exports and credits that they will acquiesce to what they consider to be interference in their internal affairs? In my view, Mr. Chairman, détente with the Soviet Union is in the interests of the United States and it is very much in the interests of Israel. Prime Minister Meir made this abundantly clear during her recent visit to this country when she stressed the importance to Israel of continued flexibility in the relations between the United States and the Soviets. Our Secretary of State, Dr. Kissinger, has expressed similar views and he, too, has warned against the counterproductive consequences of relying upon the Vanik amendment rather than diplomacy to bring about changes in internal Soviet policy.

Mr. Chairman, it is for these reasons and those which follow that I also will support a motion to strike title IV from the pending bill. The fact is that, regardless of most-favored-nation treatment, which the Soviet Union wants, trade is going to continue. This point is heavily underlined by the report last month that trade with Communist nations is the big reason why the United States stands to show a trade surplus in 1973. Obviously, if the terms of trade are mutually advantageous, then trade will take place.

The whole concept of most-favored-nation concessions, which has been the cornerstone of U.S. trade policy since the early 1930's, has in fact become largely outdated. The rules of the General Agreement on Tariffs and Trade, a body which now includes 77 trading nations, specify that if a member grants trade concessions to another, they must be extended to all members. Thus, MFN has become the rule rather than the exception.

With a new round of GATT negotiations now starting in Geneva, it is time Congress stopped using the trade bill as a political football. The legislation is needed to give the United States the flexibility it needs to deal realistically with other nations. The Soviet trade issues can wait.

Mr. QUIE. Mr. Chairman, the Vanik amendment is one of the most difficult I have been faced with. I deplore the emigration policies of the Soviet Union which have been an extreme hardship on their Jewish citizens desiring to emigrate to Israel. Just a little less than a year ago

I spoke by long distance telephone to a Jewish intellectual in the Soviet Union about conditions there. Hoping that a show of support on the part of Congress would cause the Soviet Union to liberalize its emigration policies, I cosponsored the Mills-Vanik bill. This indication of support by the Congress I think helped the current administration in its effort and progress has been made.

Now the question comes should we actually use economic force. From what I have been able to learn this could very likely be counterproductive for those we want to help. The Arabs are using an economic club on the United States right now. Should we give in and turn our back on a nation for whom we at least have a moral commitment to assist in its survival—the State of Israel?

Interfering in the internal affairs of a foreign country is dangerous business. We cannot have it both ways—we freely interfere with others and no one can interfere with us. We should also remember there are some Americans who have disagreed with the policies of the United States and have voluntarily left this country. How would we react if a foreign country used economic force to persuade the United States to open its doors to them. Their return is an ethical question which we must resolve. I think persuasion can help while economic force would be harmful.

So I have come to the conclusion that the Congress has now carried this far enough and we ought to permit our Secretary of State Henry Kissinger to bring about additional changes with the Soviet Union through diplomatic channels which is the constitutional prerogative of the Executive and which has borne fruit in this administration.

Mr. BINGHAM. Mr. Chairman, I have for many years been greatly concerned about the plight of the Jews in the Soviet Union. In 1967 I organized a joint statement of protest in the House against the Soviet treatment of their Jewish community which was eventually signed by 306 Members.

At various times the House has overwhelmingly supported resolutions expressing the revulsion of the Congress at the Soviet policies, particularly the severe restrictions on emigration which are in conflict with the Universal Declaration of Human Rights and subsequent conventions to which the Soviet Union is a signatory.

During the past year, as a part of its policy of détente with the Soviet Union, the Nixon administration has proposed that existing law denying most-favored-nation status to the Soviet Union and other Communist countries be repealed and has publicly indicated its interest in extending large credits to the Soviet Union for the development of the latter's industry. A particularly spectacular proposal under discussion has been the idea of extending Export-Import Bank credits running into the billions of dollars for the development of natural gas resources in Siberia in the thought that such natural gas could be liquefied and shipped to the United States to help overcome this Nation's shortage of energy, and especially of natural gas.

In the face of these proposals, I joined

many Members of the House under the leadership of the gentleman from Ohio (Mr. VANIK) in supporting an amendment to the trade bill that would deny credits and most-favored-nation status to the Soviet Union and other totalitarian countries until their unreasonable restrictions on emigration are removed, especially the notorious education tax which threatened to make it virtually impossible for scientists, engineers, and other highly educated people to leave the Soviet Union. A similar amendment was proposed in the other body by Senator JACKSON and cosponsored by a large majority of the Senate.

In its consideration of the trade bill now before us, the Committee on Ways and Means adopted the Vanik amendment so far as most-favored-nation status was concerned, but eliminated that part of the amendment that dealt with the extension of credits. Now the House of Representatives has an opportunity to reverse that action by the Committee on Ways and Means and to adopt the Vanik amendment in its original form.

There are those who argue that this action will be counterproductive and that it will actually hurt those it is intended to help; namely, the thousands of Jews who wish to leave the Soviet Union. But this very group has made it abundantly clear that they do not agree with this judgment and that they very much want the Jackson-Vanik amendment adopted. That courageous dissident, Andrei Sakharov, has expressed the same view.

It is also claimed that the Soviet Union's policy on allowing its citizens to leave is a domestic matter which should not be involved in questions of foreign trade and investment. But it has become increasingly clear in recent decades that gross violations of human rights are legitimately a matter for international concern. Without in any way attempting to equate the Soviet treatment of the Jews with the horrors perpetrated by Nazi Germany, it is pertinent to recall that at one time there were those who argued that the Nazi treatment of the Jews was a domestic matter not subject to outside interference.

We have it on the authority of an expert such as Dr. Hans Morgenthau that, when the Soviet Union wants something, they expect to pay something for it. Their actions with respect to the emigration of Soviet Jews have already shown a considerable responsiveness to American and world pressures. It is clear they want most favored nation status and that they want American credits. I have no doubt they will find a way, without losing face, to achieve both of these objectives if this bill is enacted into law incorporating the total Jackson-Vanik amendment including credits.

Obviously, none of us wants to see the Soviet Union become adamant if the Jackson-Vanik amendment is adopted and enacted into law. This would produce no benefits for the Jewish community in the Soviet Union and would also deprive the Soviet Union itself of the benefits of most favored nation status and of American credits. I must say, however, that I am less concerned than I would have been a year ago at the pros-

pect of the United States failing to provide the credits needed for the contemplated natural gas development in Siberia. The Arab oil boycott has dramatically shown us how dangerous it is to become dependent for any essential commodity on not-necessarily-friendly foreign powers. If we do go ahead with the natural gas deal, we must be sure that we are guaranteed against any cutoff of the flow of natural gas in the future.

Similarly, the whole concept of détente has lost some of its attractiveness with the Soviets' obvious complicity in the Yom Kippur war and their encouragement of the Arab States to withhold their oil supplies.

For all of these reasons, I support the Vanik amendment with enthusiasm.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment proposed by the Gentleman from Ohio (Mr. VANIK) prohibiting the extension of credits, credit guarantees or investment guarantees to those countries denying its citizens the right or opportunity to emigrate.

Early in the first session, when this amendment was first introduced, I joined a number of my colleagues in supporting the measure. While I fully understand the need for seeking new trading opportunities throughout the world, it is even more important that we do not compromise our principles of freedom and democracy for monetary gains.

In reporting this bill, the committee wisely saw fit to deny most-favored-nation treatment to those countries with restrictive emigration policies. However, in supporting this amendment we must complete the action taken by the committee. Denial of most-favored-nation status means little if not accompanied by a prohibition against credit extension.

Accordingly, I urge my colleagues to support the amendment before us clearly speaking out that our Nation does not condone the denial by any nation of the basic right of the freedom to emigrate.

Mr. BIAGGI. Mr. Chairman, I rise in support of the Vanik amendment to the bill H.R. 10710, the Trade Reform Act. While I am in total disagreement with the trade provisions of this bill, and with the tactics employed to hold this amendment hostage to insure the bill's passage, if it does pass, we will at least be able to demonstrate to the Soviet Union that their continued flagrant disregard of human rights will not continue to be tolerated by the United States.

As this bill is presently written, our only response to the Soviet Union's archaic and inhumane emigration policies would be to deprive them of most-favored-nation status in international trade. This action might serve to inconvenience the Soviet Union more than it would actually harm them economically. However, by adopting the Vanik amendment we would be adding the important provision of prohibiting trade credits and credit guarantees to the Soviets until they abandon their emigration policies. The threat alone which the Vanik amendment contains may ultimately prove to be more effective than its application in reality, but the overall fact remains that this amendment will surely

hit a lot closer to home economically in the Soviet Union.

There are many of my colleagues who argue that the United States should not be interfering in the internal affairs of another country. However, we are dealing with a basic and universal human right which is explicitly provided in the U.N. Charter, with the U.S.S.R. as a signatory, indicating compliance with this provision, namely freedom of emigration. Yet for Jews and other minorities living in the Soviet Union this right has been ruthlessly disregarded.

If a country wishes to participate fully in the community of nations, it must meet minimum requirements in its dealings with its citizens. One of the most basic requirements is the permitting of free emigration for those who desire it. For years, the Jewish citizens of the Soviet Union have not only been deprived of this fundamental human right, but have also been subject to persecution and inhumane treatment by the Soviet Union. Do we condone these type actions by the Soviet Union by granting them major trade concessions? I say emphatically no.

Yet the Vanik amendment deserves passage for reasons beyond those pertaining to Soviet emigration policies. Recent examples are the actions of the Soviet Union in the Middle East which have proven that détente is a policy which is far from being realized. Soviet actions resulted in a near-confrontation between the two superpowers, not seen since the Cuban crisis of 1962.

Further, the Soviet Union was instrumental in encouraging the Arab oil embargo which has plunged this Nation into its most serious energy crisis in history.

These actions should prove to the Nixon administration that we must begin dealing more firmly with the Soviet Union in matters of international trade. The Vanik amendment represents an important first step.

We must also remember that by granting the Soviets trade credits, it will allow them to further enhance their arms superiority over the United States, by promoting further development of arms.

Mr. Chairman, the U.S. Government for too long has ignored the serious plight of the Jews and other oppressed minorities in the Soviet Union. We have been led to believe that we were embarking on a new international policy with our former adversary, characterized by cooperation instead of confrontation. Yet we can never afford to forget that the U.S.S.R. is still a Communist country, and has not lost its primary purpose, to ultimately dominate the world. As a result we should not enter into any meaningful agreements with the Soviet Union until we receive assurances that they are willing to compromise this objective, and as a start begin to respect the rights of men to emigrate freely. Adoption of the Vanik amendment today will clearly demonstrate to the Soviet Union that the freedom of all oppressed minorities in their nation will continue as a paramount prerequisite for international trade agreements. It is the responsibility of the United States to begin to promote



the cause of freedom throughout the world. Let us begin today.

Mr. DRINAN. Mr. Chairman, I have long been active in the effort to win freedom of emigration for citizens in the Soviet Union. I have been an early and loyal sponsor of the Jackson-Vanik-Mills bill, which would deny most-favored-nation trade treatment or extension of credits and guarantees to the Soviet Union unless the Soviet Union permitted freedom of emigration. I submitted testimony in favor of this bill to the House Ways and Means Committee, and have spoken on the subject of freedom of emigration on numerous occasions on the floor of the House of Representatives.

Today, I have an opportunity to cast my vote in favor of the Vanik amendment which will restrict the extension of U.S. Government credits and credit guarantees to countries, including the Soviet Union, which deny free emigration. Credits and credit guarantees are the most valuable trade preferences the United States can grant other countries. I am hopeful that all of the 289 House cosponsors of the original Jackson-Mills-Vanik bill will continue their support and join me in supporting the Vanik amendment. This amendment will give "teeth" to title IV of this bill. The position of the Soviet Union in recent and continuing Middle East crisis is an example of the serious threat to the continued safety of emigrating Soviet Jews exhibited by the Soviet Union.

Present U.S. Government participation in credits to the Soviet Union, in direct Export-Import Bank credits, and in Commodity Credit Corporation credits amount to well over a billion dollars. My long-standing objection is not to treating the Soviet Union equally in our trade policy. I object to treating the Soviet Union preferentially. Such preferential treatment is unjustifiable in economic terms. Already the Soviet Union has bought American grain at bargain prices. The Soviet Union has received loans at preferential rates. The Soviet Union has consistently refused to comply with accepted norms for securing Eximbank financing and the Soviet Union is hoping to receive preferential treatment for resource development as well.

If we are to grant the Soviet Union preferential trade treatment, I believe that the United States has every good reason to insist that political and humanitarian considerations be included in the granting of MFN, and that we should, by supporting this amendment, attempt to receive substantial political concessions in return for our granting this advantageous trade status.

Dr. Elihu Bergman, consultant to the National Conference on Soviet Jewry and assistant director of the Harvard University Center for Population Studies, stated that as of October 1973 credits and credit guarantees from the U.S. Export-Import Bank in the amount of \$202.6 million had been made available to the Soviet Union. The credits carried an interest rate of 6 percent and grace periods before repayment begins of up to 10 years. These transactions supplemented the \$750 million line of credit for the so-called wheat deal made available in 1972

by the Commodity Credit Corporation. Dr. Bergman stated:

In addition to these actual credits, major transactions involving the Soviets and American firms that have been announced this year envision U.S. Eximbank credits of approximately \$3 billion. These credits too would be made available at a subsidized rate of six percent.

The loan of money at 6 percent rate for Eximbank means that Eximbank incurs a loss, which represents the subsidy paid by the U.S. Treasury, and ultimately by the American taxpayer. Beyond these direct costs, to the taxpayer, credits and credit guarantees exert an inflationary impact on the American economy, according to Dr. Bergman. This occurs because in raising the funds, the Eximbank competes against other demands for funds in the domestic money market, thereby increasing the cost of domestic credit, and contributing to the rise in the domestic price structure.

In economic terms, the Soviet Union has much to gain from us, while we have little to gain from them. If we are to subsidize Soviet imports—through granting Eximbank credits—and thus Soviet economic development, then these subsidies must be viewed as a kind of foreign aid, and must logically be subject to the same political considerations that surround our foreign aid determinations. The increase in demands of the Soviet consumer and the need to modernize seriously backward segments of the Soviet economy, suggest that the Soviet Union has a great stake in seeing the fruition of Soviet-American technology transfer. The stake of Soviet-American trade, as perceived by the Soviet Union, gives the United States valuable diplomatic, as well as economic leverage. This potential must be utilized, not only for our own benefit, but for the larger benefit of the community of nations.

Freedom of emigration in the Soviet Union is not the only basic freedom that needs to be guaranteed to the Soviet people, but it is the central issue today. There is no more basic freedom than the right to leave one's country if one so chooses—a right consistently and oppressively denied the Jewish citizens of the Soviet Union. The Jews of the Soviet Union have suffered enough. We in Congress have an opportunity to help by casting a vote in favor of the Vanik amendment today.

There is no greater goal before mankind than the relaxation of world tensions and the eventual realization of world peace. The developing commercial ties between the Soviet Union and the United States offer hope for improvements in a wide range of relations between our two countries. But we should not confuse superficial appearances of improved relations for genuine and lasting accomplishments. In our dealings with the Soviet Union, we should not deny the moral principles upon which our Nation was founded, and we should not ignore the basic rights and freedoms of all people of the world as enumerated in universally accepted international declarations and obligations.

I urge all of my colleagues to support this important amendment.

Ms. HOLTZMAN. Mr. Chairman, I strongly support the efforts to relieve the plight of Jews and political dissenters in the Soviet Union by putting Congress on record against special trade concessions with Russia unless freedom of emigration is granted. I know that I speak for thousands of my constituents on this point.

Many of us in Congress have been working for months to help change the Soviet Union's repressive policies. I am particularly proud to have helped organize a bipartisan congressional vigil which took place over the past several months on the floor of the House in support of the Mills-Vanik legislation.

Title IV of the trade bill presently includes a provision denying most favored nation status—special tariff concessions—to the Soviet Union until it lifts its barriers to emigration. I strongly support this provision, and will oppose any attempt to strike it from the bill.

I also intend to support the Vanik amendment which will deny special trade credits to the Soviet Union until freedom of emigration is granted. We cannot permit American tax dollars to finance trade with the Soviet Union—through special credit arrangements such as were used in the grain deal—while the Soviet Union refuses to allow Jews and dissenters the basic right to emigrate.

I know we in the Congress would not want to subsidize the denial of the fundamental freedom of emigration.

I am unable, however, to support the Trade Reform Act on final passage. While I support the concept of free world trade, I feel the bill suffers from a number of major defects that pose serious problems.

First, I am deeply troubled by the grant to the President of dangerous and broad authority to negotiate the removal of nontariff barriers, subject only to a congressional veto within 90 days. This provision allows him to waive U.S. requirements for consumer protection product safety and environmental control in the interest of improving trade. With no standards cited in the legislation, the potential for abuse is enormous, and the grant of such power constitutes an unnecessary and unwise abdication of responsibility by Congress.

Second, the bill totally fails to address the enormously complex and difficult problem of American-based multinational corporations whose growth has been fostered by numerous tax loopholes. We are fooling ourselves and the public if we do not include in a comprehensive trade bill some serious attempt to deal with the sweeping powers of these multinational corporations over world trade and, indeed, world politics.

Finally, I believe the delegation to the President of such broad powers as are contained in H.R. 10710 is a dangerous precedent and an unnecessary abandonment of our own congressional responsibilities. The role of Congress becomes all the more important because the authority contained in the bill could permanently affect the nature of American trade relations for years to come.

Therefore, I will vote to insure that

the Mills-Vanik provisions are in this bill. But, I feel constrained to oppose the Trade Reform Act of 1973 on final passage.

Mr. RANDALL. Mr. Chairman, I support the amendment sponsored by the gentleman from Ohio (Mr. VANIK) which seeks to prohibit extension of trade credits or credit guarantees to any non-market economy country which denies or unduly restricts the fundamental human right of emigration. In offering his amendment, our colleague from Ohio is merely attempting to restore the original provisions of the so-called Mills-Vanik-Jackson amendment.

As now written, the committee bill prohibits extension of most-favored-nation status to countries that deny freedom of emigration. The credit limitation language is not contained.

It should be no secret that these prohibitions are primarily aimed at achieving a relaxation or alteration in Soviet emigration policy. There is no need to describe in detail the many official and unofficial barriers a Soviet citizen encounters if he wishes to exercise his fundamental human right to emigrate. Everyone is aware of the education taxes, excessive document and visa fees, and so forth, which have been used to restrict the the freedom of Soviet citizens.

In other words, Mr. Chairman, my vote in favor of the Mills-Vanik amendment is essentially a humanitarian vote in support of basic human rights. It puts the U.S. Congress on record in favor of freedom to emigrate to the country of a person's choice.

However, if this expression of humanitarian concern is to be more than illusory, we must support the amendment now before the House. The prohibition against conferral of most-favored-nation status to countries which deny freedom of emigration while allowing extension of credits and credit guarantees to the same countries makes the freedom of emigration section an illusory promise, a mere rendering of lipservice to the principle of free emigration.

The credit provisions are much more important to the Soviet Union than the granting of most-favored-nation status. The Soviets are much more interested in obtaining credit financing for industrial development than in obtaining MFN status for its exports. The truth of the matter is that at this time the Soviets do not have too much of a U.S. market for their exports. In other words, in order to be an effective tool of international diplomacy, the Mills-Vanik-Jackson amendment must include a prohibition on extension of credits. If this body wishes to make a firm commitment to freedom of emigration, it will support the amendment now before us.

Moreover, there is another, and perhaps more compelling reason to support the Vanik amendment. In view of today's international situation, it is questionable whether the United States should guarantee or extend any credits to the Soviet Union. We must remember that these credits, American money, will be used to fuel the Russian state economy and its industrial development. They will enable the Soviet Union to continue and expand

its high expenditures for defense and its investment in military hardware. Remember, in a nonmarket economy, there is no differentiation between the private and public sectors. When we give money to the Soviets for economic development we are giving money to the Soviet Government. Extension of trade credits to Russia is actually a disguised or type of "back door" foreign aid. In principle, I have been consistently opposed to foreign aid. My opposition hardens, however, when the foreign aid is given to a country which, despite detente, remains our principal international adversary.

Why should we spend upwards of \$80 billion annually for defense against the Soviet threat, and then turn around and provide American money to fuel the Russian military-industrial complex? In my mind, there appears to be an inconsistency involved here. The potential expenditures involved for our Government are not limited to extensions of credit. Think of this. What if we are forced to increase our own defense budget to offset the increased strength of the Soviet military-industrial complex resulting from the infusion of American capital?

I have respect for this administration's achievements in the field of foreign policy. Its promotion of detente is to be commended. However, events of most recent date should remind us that detente is still only a hope, and not much reality. Indeed, consideration of the very bill now before us has been at least twice delayed, at the administration's request, because of Soviet adventures in the Middle East. Who can forget that it was Russian arms and support which allowed the Arabs to initiate hostilities against Israel just 2 months ago? Who can overlook the fact that the U.S.S.R. is presently supporting the Arab oil boycott which has crippled our allies in Europe and aggravated our own energy crisis at home?

Detente is something for which we all hope and pray. Yet it is a long way from reality. Therefore, I submit that we should not permit American money in the form of credits to promote Russian economic advancement. We should not subsidize the Soviet military machine. We should adopt the amendment of the gentleman from Ohio.

Ms. ABZUG. Mr. Chairman, I rise in support of this amendment, which would deny most-favored-nation status and the extension of credit to the Soviet Union and other nations which deny the basic right of emigration to some of their citizens. I was an original cosponsor of Mills-Vanik and am glad to have the opportunity to support it today.

We are at the beginning of a cautious detente with the other great powers; trade and travel restrictions are gradually being relaxed; American cultural and professional groups are traveling to the four corners of the world.

This is tremendously encouraging. It leads us to hope that one day the entire world will be free of artificial barriers, since all human beings share the same small planet.

To reach this point, it is essential that we in the United States indicate what are the standards of human freedom. Different countries may be expected to

hold different values, and I respect them, but some universal human rights must not be abridged. These are the freedom to choose one's place of residence and the freedom to observe one's own religious and cultural practices, for example. The United Nations Declaration of Human Rights, which just this week marked its 25th anniversary, has stood firm on these points.

Yet these rights are being denied to Soviet Jews who are now subject to exit fees, the amount depending on the extent of their education and the country to which they wish to go. Sometimes, as in the case of highly trained scientists, the amount may run into thousands of dollars.

Under these circumstances, the amendment before us and title IV of this act is the correct response.

I look forward to the time when all countries will have a free emigration policy so we may proceed with a freer trade policy.

There should be no price tag on human rights.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The question was taken.

#### RECORDED VOTE

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

Mr. WOLFF. Mr. Chairman, a point of order. The Chair did not rule on the vote, on the ayes and noes on the voice vote.

The CHAIRMAN. The Chair will state that the Chair did not rule on the voice vote. When the gentleman from Missouri rose he requested a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 319, noes 80, not voting 33, as follows:

[Roll No. 643]

#### AYES—319

Abzug	Burgener	Derwinski
Adams	Burke, Fla.	Dickinson
Addabbo	Burke, Mass.	Diggs
Alexander	Burton	Dingell
Anderson,	Byron	Dorn
Calif.	Carney, Ohio	Downing
Anderson, Ill.	Casey, Tex.	Drinan
Andrews, N.C.	Cederberg	Dulski
Annunzio	Chappell	Duncan
Archer	Clancy	du Pont
Ashbrook	Clark	Eckhardt
Bafalis	Clausen,	Edwards, Ala.
Baker	Don H.	Edwards, Calif.
Barrett	Clawson, Del	Ellberg
Bauman	Clay	Esch
Beard	Cleveland	Eshleman
Bell	Cochran	Evins, Tenn.
Bennett	Cohen	Fascell
Bergland	Collins, Ill.	Flood
Bevill	Collins, Tex.	Flowers
Biaggi	Conlan	Foley
Blester	Conte	Ford,
Bingham	Conyers	William D.
Blackburn	Corman	Forsythe
Blatnik	Cotter	Fountain
Boggs	Coughlin	Fraser
Boland	Crane	Frenzel
Bolling	Cronin	Frey
Brademas	Culver	Froehlich
Brasco	Daniel, Dan	Fulton
Breaux	Daniel, Robert	Fuqua
Breckinridge	W., Jr.	Gaydos
Brinkley	Daniels	Gettys
Brooks	Dominick V.	Gialmo
Broomfield	Davis, Ga.	Gibbons
Brotzman	Davis, S.C.	Gilman
Brown, Calif.	de la Garza	Ginn
Brown, Mich.	Delaney	Goldwater
Broyhill, N.C.	Dellums	Gonzalez
Broyhill, Va.	Denholm	Grasso
Buchanan	Dent	Green, Pa.



Griffiths	Metcalfe	Schroeder
Grover	Mezvinisky	Seiberling
Gude	Milford	Shipley
Gunter	Miller	Shriver
Guyer	Minish	Shuster
Haley	Mink	Sikes
Hanley	Mitchell, Md.	Sisk
Hanrahan	Mitchell, N.Y.	Slack
Harrington	Mizell	Smith, Iowa
Harvey	Moakley	Smith, N.Y.
Hastings	Mollohan	Snyder
Hawkins	Montgomery	Spence
Hays	Moorhead, Pa.	Staggers
Hechler, W. Va.	Morgan	Stanton
Heckler, Mass.	Moss	J. William
Helstoski	Murphy, Ill.	Stanton
Henderson	Murphy, N.Y.	James V.
Hicks	Natcher	Stark
Hillis	Nedzi	Steed
Hinsaw	Nichols	Steele
Hogan	Nix	Steelman
Holifield	O'Brien	Steiger, Ariz.
Holt	O'Neill	Stratton
Holtzman	Owens	Stubblefield
Horton	Parris	Stuckey
Howard	Patten	Studds
Huber	Pepper	Sullivan
Hudnut	Perkins	Symington
Hungate	Pettis	Symms
Hutchinson	Peyser	Talcott
Ichord	Pike	Taylor, Mo.
Johnson, Calif.	Podell	Taylor, N.C.
Johnson, Pa.	Powell, Ohio	Teague, Calif.
Jones, Ala.	Price, Ill.	Teague, Tex.
Jones, N.C.	Pritchard	Tiernan
Jones, Okla.	Quillen	Towell, Nev.
Jones, Tenn.	Randall	Treen
Jordan	Rangel	Udall
Karth	Rarick	Van Deerlin
Kazen	Rees	Vanik
Keating	Regula	Waggonner
Kemp	Reid	Waldie
King	Reuss	Wampler
Kluczynski	Riegle	White
Koch	Rinaldo	Whitehurst
Kuykendall	Roberts	Whitten
Kyros	Robinson, Va.	Widnall
Landgrebe	Robinson, N.Y.	Williams
Latta	Rodino	Wilson, Bob
Leggett	Roe	Wilson
Lehman	Rogers	Charles H.,
Lent	Roncallo, Wyo.	Calif.
Long, La.	Roncallo, N.Y.	Wilson
Long, Md.	Rooney, Pa.	Charles, Tex.
Lott	Ross	Winn
Lujan	Rosenthal	Wolff
McCloskey	Rostenkowski	Wyder
McCormack	Roush	Wylie
McDade	Rousselot	Wyman
McKay	Roy	Yates
McKinney	Roybal	Yatron
McSpadden	Runnels	Young, Alaska
Madden	Ryan	Young, Fla.
Madigan	St Germain	Young, Ga.
Maraziti	Sandman	Young, Ill.
Martin, N.C.	Sarasin	Young, S.C.
Mathias, Calif.	Sarbanes	Young, Tex.
Mathis, Ga.	Satterfield	Zion
Matsunaga	Scherle	

## NOES—80

Andrews, N. Dak.	Hammer-schmidt	O'Hara
Arends	Hanna	Passman
Armstrong	Hansen, Idaho	Pickle
Ashley	Harsha	Poage
Bowen	Hosmer	Pfey
Bray	Jarman	Price, Tex.
Brown, Ohio	Johnson, Colo.	Quile
Burleson, Tex.	Kastenmeier	Railsback
Burlison, Mo.	Ketchum	Rhodes
Camp	Landrum	Ruppe
Carter	Litton	Ruth
Chamberlain	McClary	Schneebeli
Collier	McCollister	Sebelius
Conable	McEwen	Skubitz
Davis, Wis.	McFall	Steiger, Wis.
Dellenback	Mahon	Stevens
Dennis	Mailliard	Thomson, Wis.
Devine	Mallory	Thone
Evans, Colo.	Martin, Nebr.	Ullman
Findley	Mayne	Vander Jagt
Flynt	Mazzoli	Vigorito
Frelinghuysen	Meeds	Whalen
Gooding	Melcher	Wiggins
Green, Oreg.	Mosher	Wright
Gross	Myers	Zablocki
Gubser	Nelsen	Zwack
Hamilton	Obey	

## NOT VOTING—33

Abdnor	Butler	Donohue
Aspin	Carey, N.Y.	Erlenborn
Badillo	Chisholm	Fish
Burke, Calif.	Danielson	Fisher

Gray	Mills, Ark.	Thompson, N.J.
Hansen, Wash.	Minshall, Ohio	Thornton
Hébert	Moorhead,	Veysey
Helms	Calif.	Walsh
Hunt	Patman	Ware
Macdonald	Rooney, N.Y.	Wyatt
Mann	Shoup	
Michel	Stokes	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. CAREY of New York. Mr. Chairman, it is with difficulty that I vote against the pending trade bill. The Committee on Ways and Means worked diligently on this complex issue. However, the failure of the bill to contain provisions encouraging and developing appropriate international mechanisms to design a position of solidarity for the oil-consuming nations, has contributed to the sorry energy state—an energy shortage for the United States that I have been warning against for several years.

The report on H.R. 10710, on page 36, paragraph 2, contains language the committee accepted at my urging. The awareness of the problem is clear, but was not translated into statutory language. I do take some comfort from the fact that the committee plans to return to this important problem of establishing a rational and equitable allocation of imported energy resources."

During discussion in committee, I have been urging that our trading partners, the EEC, Japan, and others, should discuss formally and work together to develop this consolidated oil-importing and allocation policy. This was not adopted, and unless changes are made in this bill and in our trading partners' attitudes, we will all be going to the oil bargaining table with our hat in one hand and an empty oil can in the other. Recent evidence of EEC intransigence is their final list of tariff concessions to be offered as compensation for certain ill-effects of enlarging the Common Market.

All our trading partners who import oil heavily have gone singly to the oil-producing nations, pleading with the—OPEC—for special terms—terms clearly at the expense of each other's best political and ethical interests—and certainly against those of the United States. Certainly, realization that this world energy crisis will gradually, but inevitably, affect everyone, is our No. 1 educational priority in upcoming trade discussions and conferences.

An amendment I proposed to the trade bill while in committee would have required establishment of the administrative and negotiating mechanisms necessary to cope with the expected 5-year world shortage of fossil fuels, particularly oil and gasoline. It would have established within OECD and GATT rules for negotiating for these necessary energy commodities. It could have resulted in a reasonable and, indeed, provident common position of solidarity that we and our trading partners must take with the OPEC, if we are to avoid an inevitable escalation of oil blackmail—blackmail surely turning ours from an age of geopolitics, to an age of geoeconomics.

I hope that the Senate Finance Committee, when and if the bill is discussed by them, will keep what I have said in

mind. During hearings before that committee, it is my hope to testify, and remind them that the trade bill remains the sole, most likely vehicle for consolidating a common bargaining position with which to face the oil-producing nations of the world. We face a world shortage of energy. We must not let the failure of NATO to provide solidarity for our resupplying an attacked Israel, be the pattern for absolutely necessary economic solidarity.

As a member of the Ways and Means Committee's Task Force on Energy, I shall work strenuously to develop legislation that possibly can be added to the trade bill in the near future. Surely, the timing and urgency of such a move are mandatory. Such improvements in this legislation will provide the means of establishing international instrumentalities and negotiating mechanisms to facilitate a common oil-consumer position.

The trade bill before us, curiously, has about the same duration—5 years—as the projected severe world shortage of fossil fuels and energy. During this time, we, in the United States, must work to see that our research efforts are heightened to the point where our technological and scientific leadership reassert themselves, and the world again beats a path to our doors to share in the new energy wealth we shall unleash through oil shale development, coal-gasification, nuclear, solar and geothermal energy.

At this time, there is an injurious trend which will affect all consumers, because of the oil embargo. Not until key consumer nations join together will we bring this "catch-as catch-can" and "grab-box" for oil procurement to an end. Then only will the blackmail actions of the oil-producing nations cease against the people of this and other democratic nations.

Quite frankly, it would be preferable if we could place the necessary discretion and confidence in the President—discretion to devise the needed international systems and our role in them, and confidence that he would instill needed trust and amity in our fellow oil-consumers. However, this administration's track record on energy has been dismal—unparalleled. This administration has failed to meet long-predicted energy and fuel deficiencies across the United States—knowing that the warnings we have had in the past several years could only be harbingers of more severe energy shortages in the future.

I also hesitate to entrust this kind of mandate to a President who is so clearly politically allied with those who would seem to be involved in oil profiteering. I simply cannot condone or approve of either these failures to address the Nation's energy problems swiftly and efficiently, or expect the President to move strongly to require necessary pricing and supply responsibility and responsibility on the part of the major oil oligopoly.

I am not and have never been a protectionist. I have always favored fair, reciprocal trade. Yet the present bill does not go quite far enough to insure that we are not trading in the jobs of American workers. Commodities and manufactures are proper media for trade;

the livelihood and security of American citizens are not.

I also feel that our approach to both an increased liberalization of trade and the exportation of our technology and managerial know-how must be deliberate and hard-headed. We must continue to maintain basic and security-related industries in a healthy condition. We must continue to be secure from overdependence for certain strategic raw materials and for vital manufactured and processed items. We cannot afford to widen the areas of possible international commercial blackmail—blackmail where economic strangulation becomes a new version of Clausewitz' theory of the extension of politics to the ultimate.

Exports of further technology, plus long-term credit financing of these and other exports to the Soviet Union, China, and other controlled economies and societies, must be very carefully measured and monitored. Aside from the question of freedom of emigration for Soviet Jewry and other citizens of these nations, we must address honestly the question of exporting trade potential and jobs to nations where the worker is not only a servant, but a serf of the state. They have no control over their time, their labor, or their liberty.

It is for these reasons, Mr. Chairman, that I reluctantly vote against the pending bill, and again declare my intention to present my thinking directly to the Senate Finance Committee, when hearings begin before that panel.

Ms. ABZUG. Mr. Chairman, although I voted earlier to approve the Mills-Vanik amendments to deny most-favored-nation status and the extension of credit to the Soviet Union and other nations which deny the basic right of emigration to some of their citizens, I am voting against the trade bill as a whole. It has been aptly said by AFL-CIO President George Meany that "this bill is worse than no bill at all."

In opposing this legislation, I do not repudiate my belief that wherever feasible, the lowering of trade barriers and the pursuit of détente is a necessary part of a sound domestic economy, a healthy world economy and peace among nations. High tariff and nontariff barriers will eventually cost us more jobs and more economic dislocation than they will save or prevent in the immediate present. But this administration-sponsored bill is not what is needed to improve our domestic economy or to protect the living standards of millions of American working families and small businesses.

Most assuredly all sectors of our economy are going to face new challenges in the late seventies and eighties. The American workforce, our most valuable resource, will have to renew itself and accommodate to a changing world economy. The Congress cannot continue to pursue its manpower policy through simple assurances that those displaced by some economic force will be taken care of. We know for a fact that "adjustment assistance" for workers is a proven failure at meeting the damage to firms and workers and unemployment assistance is of little value to the chronic unemployed,

the underemployed, and the part-time worker.

We urgently need to shape new manpower policies that at least reflect our business policy. The glaring lack of any controls over multinational corporations in this bill points out our inability or unwillingness to come to grips with the question of developing and blending a manpower and business policy.

Particularly at a time when the Nixon administration's mismanaged energy crisis is already causing mass layoffs in some industries and threatens to demand inordinate economic sacrifices on the part of working people and the millions dependent on wages or small business income, this bill offers no hope of help to workers in key industries whose jobs and security are being ruthlessly taken away from them by the huge multinational corporations that increasingly dominate our economy.

I have previously submitted detailed evidence showing how these giant corporations go wherever the profits are the greatest, setting up manufacturing and processing plants in low wage countries, with no concern for the plight of American workers left stranded or thrown out of work after years of employment in a company or industry.

I have introduced H.R. 241, the Foreign Investment and Multinational Corporation Control Act, which would end the administration's policy of favoritism and protection for these American-based, worldwide firms. My bill provides for increased taxation of the multinationals. It also provides for records to be kept by every U.S. shareholder in foreign corporations. It repeals the foreign tax credit allowed to corporations, and restricts the transfer of American capital and jobs to foreign nations. The unregulated power of these corporations is a major source of our current trade problems.

We have been told that the issue of the multinational corporations will be dealt with as part of a general reform of the tax code. But if we accept this promise as a substitute for legislation, we are abdicating our responsibility on this issue. We cannot vote on a promise. We must vote on the merits of the legislation before us.

My other basic reason for opposing this bill is that once again it extends virtually unlimited power to the President. After the revelations of this past year, is it reasonable to expect us to hand over such enormous power to this President, or indeed to any President? Certainly Mr. Nixon's track record of doing what is good for big business and ignoring the needs of millions of ordinary Americans gives us no cause for confidence that he will develop a trade policy beneficial to the majority of our people.

This bill fails to set any policy or provide congressional guidance for the Nation's trade policy. I recognize the need to provide our negotiators with sufficient flexibility to conduct trade negotiations, and I certainly am not proposing congressional negotiations. But we need not surrender all our prerogatives in order to allow the executive branch to conduct trade negotiations.

Under this legislation there is no assurance that the President will favor lowered trade barriers. Under this legislation, he may raise tariffs and maintain present levels of import quotas and other nontariff barriers. In fact, we have no way of knowing what he will do. Giving the President a blank check is no substitute for the constitutionally mandated congressional role. This bill is simply too vague on a number of important questions, not the least of which is the definition of nontariff barriers. This definition must be part of any congressional mandate to the President.

Although trade reform is essential if the United States is to have a meaningful role in current trade negotiations, this bill is not the way to bring progressive change.

The spectacular economic competition presented by Japan and other nations, the exploitation of cheap foreign labor, the flight of American capital abroad, and the increasing transformation of the American economy from manufacturing to service in nature have created a vulnerability in the American economy which makes necessary a rethinking of what constitutes a free trade position. The normal position taken by free traders may no longer be viable in the face of these changed conditions. I am not agreeing that restrictive quotas are the answer, but the attempt to construct a sound trade policy must take into account the changes in the world and domestic economy and the needs of American working people, small business, and middle-income American business.

The administration continues to take half-hearted measures to deal with the energy crisis, gives higher prices to oil producers and auto manufacturers, and threatens higher taxes which would constitute a new attack on the sagging living standards of America's working people. Predictions of a major recession in 1974 and a steeply rising unemployment rate are coming from widely respected economists. We must consider what is best for the American people, and we cannot leave that decision to the President.

I agree with the advocates of this bill that drastic trade reform is needed to help us in the coming round of negotiations. I cannot, however, vote for this vague and poorly conceived bill. It should be sent back to committee to be revised, and we should reconsider it at the earliest possible date.

AMENDMENT OFFERED BY MR. CONABLE

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

The CHAIRMAN. The Chair will inquire of the gentleman, is the amendment made in order under the rule?

Mr. CONABLE. It is, Mr. Chairman. It is an amendment to strike title IV of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CONABLE: Page 129, strike out line 8 and all that follows thereafter down through line 13 on page 137.

Mr. CONABLE. Mr. Chairman, this amendment strikes title IV. The Jack-



son-Vanik amendment is now completely enshrined in this bill. I have already expressed the opinion that it is mischievous and probably counterproductive. The issue now arises as to what is the best thing to do if you believe that we should try to work something out on other than a confrontation basis with the Russians.

I believe under the circumstances the best course would be to leave the law as it is and hope something can be worked out later.

One of the reasons I am moving to strike title IV and urge support of the amendment is because it would return the law to its present status and constitute a prohibition on negotiations with the Russians regardless of whether or not the emigration tax as a device was abandoned.

I would like to say to my conservative friends on this issue that the emigration tax is only one way of controlling emigration. Suppose the Russians swallow their pride and give up the emigration tax, thus meeting the conditions precedent of the Jackson-Vanik amendment.

If you do not believe in negotiation with the Russians, you are on record as favoring the granting of the nondiscriminatory tariff and credit arrangements to the Russians assuming they get the emigration tax device out of the way. You leave the issue up to the Russians, rather than retaining control of the issue here.

To those who are anxious to avoid confrontation, we have a procedural condition which I think requires some attention, also. As you may know, at least 83 Members of the other body have cosponsored the Jackson-Vanik amendment. It is entirely probable they will also seek to attach this to any trade bill that passes through the other body. There will be nothing to negotiate about in conference if the Jackson-Vanik amendment is adopted in the same wording and in the same substance as we have adopted it during the past few minutes in this House.

If, however, we strike out title IV, there is something to negotiate, and all of the Members of this Chamber will be able to have some further input into the process. We will not be dependent entirely on what the Russians decide to do with respect to the emigration tax as a condition precedent to nondiscriminatory tariff and credit treatment in the future. To those who want to work something out so that trade is a possibility, striking title IV offers a chance, but only a chance, for more leeway in conference. If both bodies enact Jackson-Vanik in the same wording, it very, very much reduces the option to work out progress in the commercial field.

It also, I believe, places the whole thing in the hands of the other body and leaves the conferees without any opportunity to try to work something out.

Mr. HANNA. Will the gentleman yield?

Mr. CONABLE. I yield to the gentleman.

Mr. HANNA. I want to support the gentleman.

One of the reasons why I have been

against the rule is I foresaw exactly this kind of a situation coming out on this particular issue in this bill. I suggest we are trying to use in this amendment the power of our trade agreements when we do not yet have any trade to speak of. It would seem to me this is trying again to utilize leverage that does not exist.

I also say that it comes at a time when it would have the worst possible effect on what is the very tenuous relationship with Russia. I would hope that we can delete this. I know what the Senator is trying to do; he is trying to test what detente is all about. But this is no way to accomplish what the Senator seeks to accomplish. I hope this amendment will carry, and we will not put this burden on this bill.

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

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

Mr. SCHNEEBELI. Mr. Chairman, I also wish to voice strong support for the adoption of the amendment offered by the gentleman from New York (Mr. CONABLE). The adoption of the Vanik amendment is counterproductive, and I think it will be a great interruption to any normal resumption of our relations with the USSR and the People's Republic of China, both on a political and on an economic basis.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his statement, and I urge the adoption of the amendment striking title IV.

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

Title IV authorizing the President to extend nondiscriminatory treatment to certain Communist countries was requested by the President when he transmitted the proposed Trade Reform Act of 1973 to the Congress. Officials of the administration testified in favor of this title. Administration officials worked with the committee in mark-up session in rewriting and perfecting this title into responsible legislation.

As reported, this title establishes congressional guidelines for handling our tariff and trade relations with state trading nations, most of which do not participate in international organizations of trade cooperation such as the GATT. Title IV provides congressional guidance to the President that is needed unless Congress is to continue to have no say in these matters.

As I indicated previously, the administration had to be aware that the issue of the extension of nondiscriminatory treatment to the Soviet Union had to be linked to the issue of freedom of emigration by the introduction of the Mills-Vanik amendment on freedom of emigration and East-West trade and sponsored by over 280 Members of this House.

I would add that the President's letter to the Speaker of last week is the first and only formal request this House has received to drop title IV from the bill.

It is requested that we delay action on these provisions in order that they can be taken up at a later date. We have already granted far too much accommodation to the administration in scheduling this legislation. Let us move forward

with this provision and if the basic conditions surrounding the issues of title IV change, let the President propose amendments to these provisions as they appear desirable at the time.

It has been said that the President proposes and the Congress disposes. I think that is appropriate guidance in this instance, and I urge Members to defeat the amendment deleting title IV from this bill.

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

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

Mr. VANIK. Mr. Chairman, I thank the gentleman for yielding me this time.

The amendment offered by the gentleman from New York to strike this title would, I suggest, negate the action taken by the House a moment ago on the amendment that was before the House. If this action is taken, if the amendment is agreed to, it would permit an unrestricted flow of trade to the Soviet Union or anyone else without regard to freedom of immigration or any other issue.

Mr. Chairman, I urge the defeat of the amendment offered by the gentleman from New York (Mr. CONABLE).

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

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

Mr. WYLIE. Mr. Chairman, I would like to ask the gentleman from Oregon a question. As I understand the amendment offered by the gentleman from New York (Mr. CONABLE) it would allow present law to remain in effect which denies most-favored-nations treatment to Communist countries; is that correct?

Mr. ULLMAN. The gentleman is correct.

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

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

Mr. MAYNE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. CONABLE).

Title IV as presently amended will substantially weaken the Trade Reform Act. It will endanger our improved relationship with the Soviet Union which is so important for the preservation of world peace. The policy of detente has already achieved very tangible results for our country and for the free world. Should we now run the risk of jeopardizing it by inserting into a trade bill the gratuitous discriminations against the Soviet Union which are contained in title IV?

I believe the purpose of a good trade bill should be to liberalize and increase opportunities for trade with all countries, and that certainly should include trade between the two superpowers. A trade bill should not be used as a lever for exerting pressure on matters entirely unrelated to trade against a trading partner of great potential. I say we are playing a dangerous game if we assume the Russian bear will not strike back at this crude attempt to dictate the internal policies of a sovereign nation.

I fervently share the hope that the Soviet Union will extend greater free-

dom to all its citizens, and will liberalize its emigration policy, especially as it affects Soviet Jews. But these worthy objectives should be pursued through legitimate diplomatic negotiations rather than through the discriminatory language now contained in title IV as amended. I fear that those who hope to bludgeon the Russians into acquiescence through this maneuver may well find they have produced an opposite and counterproductive result.

Title IV originated from a U.S. commitment to the Soviet Union made as part of the trade agreement signed by the two countries on October 18, 1972. In that agreement, the Nixon administration pledged to seek legislation extending most-favored-nation status to the Soviet Union, and the Russians agreed to settle U.S. claims against them for lend-lease aid during World War II. The Soviets agreed to pay \$772 million in installments, and it has already paid the first two installments. Its next installment due July 1, 1974, and subsequent installments in settlement of these claims were to be subject to the U.S.S.R.'s attaining most-favored-nation status.

Title IV of the present bill would authorize the President to extend the application of most-favored-nation tariff treatment to the products of countries not now eligible, subject to veto by either the House or Senate within 90 days, for a period of 3 years at a time. From 1923 to 1951, the United States extended most-favored-nation status on a reciprocal basis to all other countries, without strings—Soviet Russia enjoyed this status from 1933 on. In 1951, the Trade Agreements Act of 1951 denied most-favored-nation to nations dominated by communism, but later most-favored-nations was again extended to Yugoslavia and Poland, the only Communist countries currently enjoying that status.

But the House Ways and Means Committee amended title IV, tying extension of most-favored-nation status to any previously ineligible country—in other words, all the Communist countries except Poland and Yugoslavia—to the President's determining and reporting to Congress every 6 months that the particular country did not deny its own citizens the right or opportunity to emigrate, did not impose more than a nominal tax on emigration or on documents required for emigration, and did not impose more than nominal taxes, fines, or other charges on its citizens in consequence of their desire to emigrate to another country.

It might well be asked whether the many non-Communist countries whose exports have most-favored-nation status might not have difficulty meeting the standards that the committee proposes for the U.S.S.R. and other nonmarket countries. The committee's restrictions on providing most-favored-nation status to the U.S.S.R. certainly would appear to breach the administration's October 18, 1972, agreement with the Soviet Union, would give it an excuse for discontinuing its installments to settle the lend-lease claims, and would erode rather than strengthen détente. However, the leaders of U.S.S.R. might be inclined to ignore

the slight, in the interest of increasing East-West trade; inasmuch as immediate granting of most-favored-nation would affect the price of very few Soviet goods now sold in the United States.

Far more serious and dangerous to future international trade and relations is the Vanik amendment would prohibit title IV. This amendment would prohibit credits for trade with a Communist country unless it has been determined that the nation does not restrict emigration of its citizens. Denial of access to Export-Import Bank and CCC credits and loan guarantees would greatly imperil both political and economic relations between the Soviet Union and the United States. The U.S.S.R. needs credits and loan guarantees for large trade transactions with any country, including the United States. The effect of the Vanik amendment to title IV is to deny future trade with U.S.S.R., the People's Republic of China, and the other Communist bloc nations.

Détente did not create repression within the U.S.S.R.—rather the administration's pressures through diplomatic channels and otherwise under the détente prompted the Soviet Government to suspend its head taxes on emigration of many Soviet Jews, to permit emigration of certain hardship cases, and to allow an unprecedented emigration of 30,000 Soviet Jews a year. More have been allowed to emigrate from the Soviet Union in the last two years than in all the previous 40 years together. Far more has been accomplished by quiet diplomacy than could ever be accomplished by placing unprecedented conditions upon granting of most-favored-nation or than could be accomplished by restricting the credits essential to expanding trade. The Vanik amendment is impractical, and its adoption makes it imperative that title IV as amended be deleted from the bill.

Domestic repression is deplorable, but this bill is not an appropriate vehicle for attempting to change the situation. The benefits which détente and the normalization of commercial relations offer for the majority of the world's citizens and in the long run for those suffering under totalitarian regimes far outweigh any immediate disadvantages of the arrangement. Even in the short run, the restrictions contained in title IV as amended could well increase rather than lessen the difficulties of the Soviet Jews and other oppressed minorities.

An escalation of East-West tension over emigration policies will likely spur Soviet resentment and heighten domestic repression, perhaps with reimposition of the head taxes on emigrants, rather than cause relaxation in discrimination. In the past, détente has contributed to liberalization within governmental structures in Eastern European countries, and we have every reason to believe that the same result may obtain in the Soviet Union.

This Trade Reform Act is urgently needed, and must be speedily enacted if the best interests of American workers, producers, farmers, and consumers are to be served. It is needed to enable the administration to deal more promptly, effectively and fairly with import prob-

lems. Passage of this trade legislation would contribute significantly to establishing international confidence that is essential to all efforts to strengthen the interdependent world economic structure so vital to America's well-being.

As President Nixon said in his April 10, 1973, message submitting the Trade Reform Act to the Congress:

The Act can mean more and better jobs for American workers.

It can help American consumers get more for their money. It can mean expanding trade and expanding prosperity for the United States and for our trading partners alike. More importantly, these proposals can help us reduce international tensions and strengthen the structure of peace.

The President further stated:

This legislation would help us to:

Negotiate for a more open and equitable world trading system;

Deal effectively with rapid increases in imports that disrupt domestic markets and displace American workers;

Strengthen our ability to meet unfair competitive practices;

Manage our trade policy more efficiently and use it more effectively to deal with special needs such as our balance of payments and inflation problems; and

Take advantage of new trade opportunities while enhancing the contribution trade can make to the development of poorer countries.

The world is embarked today on a profound and historic movement away from confrontation and toward negotiation in resolving international differences. Increasingly in recent years, countries have come to see that the best way of advancing their own interests is by expanding peaceful contacts with other peoples. We have thus begun to erect a durable structure of peace in the world from which all nations can benefit and in which all nations have a stake.

This structure of peace cannot be strong, however, unless it encompasses international economic affairs. Our progress toward world peace and stability can be significantly undermined by economic conflicts which breed political tensions and weaken security ties. It is imperative, therefore, that we promptly turn our negotiating efforts to the task of resolving problems in the economic arena.

The Trade Reform Act, especially if the Conable amendment striking title IV were to be adopted, will provide President Nixon and our negotiating teams with the tools to meet this challenge. It will equip them so that they can work to create a new economic structure that will indeed help and not hinder the world's historic movement toward peace. A unique set of factors on the Soviet domestic scene and in the international arena have allowed for détente at this time. If the United States now balks, the likelihood that such an opportunity will reappear is very small, and there may well be a return to the mutual hostility and recrimination of cold war years, not only in United States-U.S.S.R. relations but also in our relations with China and all Eastern Europe. Enactment of the Trade Reform Act will help maintain the momentum toward a more open international economic order contributing significantly to world harmony.

The fact that the world in 1973 is generally a "sellers" market, with strong demand and good prices, should not deceive us into complacency. We must continue to pursue policies that favor liberal trade and the continued growth of our



export markets. Otherwise, when conditions change, we may find ourselves in a world of shrinking trade—a world split into economic blocs where trade is restricted and state trading prevails. This is a real possibility unless we find a way to negotiate toward a more open trading world. As I said yesterday, that is the purpose of the Tokyo round of multilateral trade negotiations under the General Agreement on Tariffs and Trade—GATT.

Many months of hard work have gone into preparations for the Tokyo round, which is now technically underway in Geneva. It is important that this negotiation go forward positively in the coming year. It is important that the world's trading differences be negotiated under the GATT jurisdiction, rather than being fragmented into a host of smaller negotiations that would expend much time and energy and produce little. That is why U.S. policy has been to push strongly for a successful GATT negotiation—to seek a reduction in border protection and other trade limiting devices around the world. This bill will greatly strengthen our ability to carry through with these negotiations.

As Secretary Earl Butz said yesterday in Indianapolis, a vigorous and growing export market is vital to an economically sound and prosperous agriculture. We currently export nearly three-fourths of our wheat, half of our soybeans, one-fourth of our feed grains, more than one-third of our cotton and tobacco, two-thirds of our rice, half of our cattle hides.

Farm exports for fiscal 1973 totaled \$12.9 billion. This equalled our production from one out of every four harvested acres and was about one-fifth of farmers' yearly cash receipts from marketings. It is estimated that farm exports will exceed \$19 billion in fiscal 1974.

Secretary Butz very accurately warned that without strong export outlets for our products, farm income would plummet. Rural America would suffer disastrously, and more and more rural people would be forced to migrate to the cities. Millions of workers employed in the industries related to agriculture—farm suppliers, handlers, transporters, processors, and merchandisers—would flood the labor market looking for work if we were to lose our farm export market. Nearly 40 percent of our work force is involved directly or indirectly in agriculture and its products.

Loss of our farm export market would make it necessary to cut farm production by nearly one-fifth in order to avoid tremendous waste and avert a farm depression. It would also eliminate about one-fifth of all agriculturally related jobs. That loss would amount to 8 percent of the Nation's work force—which could triple unemployment in this country.

I commend Secretary Butz' entire address delivered yesterday to the Indiana Farm Bureau to my colleagues for their consideration, and will ask permission that its text be set forth in full in the Extension of Remarks section of today's RECORD.

Like Secretary Butz I favor open trade which fits our competitive, incentive economy, and this bill, the Trade Reform

Act of 1973, will increase the opportunities for more open trading. This will encourage more effective use of our resources and let the law of comparative advantage function—production will occur where goods can be produced most efficiently. This will in the long run insure a higher standard of living for people in this country and throughout the world.

Passing this bill will help our Government keep agricultural and industrial trade negotiations firmly hitched together. This is essential if we are to defeat the efforts of Japan and the Common Market countries to protect their highly subsidized agricultures by negotiating the industrial and agriculture sectors separately. We must not repeat the mistake we made in the Kennedy round of agreeing to such a separation and seeing barriers on manufactured goods lowered while our farm products are again barred from Western Europe, Japan, and other markets. Sufficiently open trading can be achieved only if agricultural and industrial trade negotiations are considered together.

It is of critical importance that we strengthen the hand of our representatives at the seventh round of negotiations, under the general agreement on tariffs and trade presently underway at Geneva, so that they may accomplish these very worthy goals. I, therefore, urge my colleagues to join me in voting "aye" on final passage, whether or not the unwise and probably unproductive provisions of title IV then remain in the bill.

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

Mr. ULLMAN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York (Mr. CONABLE).

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

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

Mr. BLACKBURN. Mr. Chairman, I thank the gentleman for yielding to me at this time.

Mr. Chairman, I oppose the amendment offered by the gentleman from New York (Mr. CONABLE) because the fact is that the action to be taken under this amendment would negate the effect of the overwhelming sentiment just expressed by the House in the last vote. I suggest that if we are going to retain the benefits of the last amendment that we vote against the amendment offered by the gentleman from New York (Mr. CONABLE).

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

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

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New York (Mr. CONABLE). I would like to say that it is not accurate to contend that if we should strike title IV from the bill that it would in fact negate the last amendment we just voted on.

The result would be the restoration of present restrictions on trade with the

Soviet Union, which already prohibits them from receiving most-favored-nation tariff treatment.

I support this amendment because I believe that passage of title IV as it now stands will cause us to lose considerable leverage in our current negotiating position with the Soviets. This will be the case not only in trade, but in the whole complex of strategic, political and economic interests in which we both have a stake.

Furthermore, I am disturbed by the consequences which this title may have on the Soviet Jews and others who must, or who choose to, remain in the U.S.S.R. Our action may encourage the Soviets to substitute indirect forms of harassment for their direct emigration restrictions. This would be a result we should all wish to avoid.

Additionally, I think it unproductive that we should attempt to dictate, through our legislative action, the domestic policies of another country.

For these reasons, I strongly advocate striking this title. We should take up the issue at a later date when world political and emotional tensions have lessened. By pursuing this course, we would not risk jeopardizing the major purpose of this important bill.

Mr. ULLMAN. Mr. Chairman, I yield to the gentleman from New York (Mr. REID).

Mr. REID. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Vanik amendment on freedom of emigration and in opposition to the amendment to strike title IV, including the Vanik language. I would point out to the Members of this body that the Soviet Union in 1969 signed the Convention on Racial Discrimination, a binding treaty guaranteeing in article 5 the right of any citizen to leave his country. They have never honored it, and, in my view, this is no time to put economic expediency above the right to emigrate or human rights. I commend the position the gentleman has taken.

I urge my colleagues to support inclusion of the Vanik language, including the denial of credits and credit guarantees to any nation which—

First, denies its citizens the right to emigrate;

Second, imposes more than a nominal tax on emigration or on the visas or other documents required for emigration; or

Third, imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice.

We have seen the hardship that such a policy causes to hundreds of thousands of citizens. Let us do what we can, as representatives of the American people, to bring an end to this policy of repression and discrimination.

Mr. ULLMAN. I yield to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. I thank the gentleman for yielding.

Mr. LEHMAN. Mr. Chairman, I rise in support of title IV of the Trade Reform Act. Title IV is the section dealing with freedom of emigration for Soviet Jewry.

I was proud to be one of the original

cosponsors in this Congress of the Jackson-Mills-Vanik legislation to prohibit most-favored-nation trade concessions and trade credits to any country which limits freedom of emigration.

As introduced in the House, this bill would additionally require the President to report to Congress every 6 months that recipients of American trade concessions did not restrict freedom of emigration. Concessions would have to be terminated if a country were to reimpose emigration restrictions.

Congress has moved to restore the moral basis for our foreign policy by strongly supporting the Jackson-Mills-Vanik legislation. It now has the endorsement of 362 of our highest elected officials—285 Congressmen and 77 Senators.

The recent Mideast war has served only to strengthen the determination of Congress to see that the Soviet Union does not receive special economic favors from the United States until it shows a greater willingness to act humanely toward Jews and other minorities living within its borders and toward the goal of world peace.

The Vanik amendment would restore to the legislation the prohibition on granting trade credits to those countries which restrict emigration.

The Soviet Union has already received hundreds of millions of dollars in trade credits, mostly for American wheat. Billions of dollars more in trade credits are planned.

Many friends have written me to say "no more wheat deals." When Americans who borrow money to buy homes or send their children to college must pay 10 percent interest, why should we allow the Russians billions of dollars in trade credits at reduced interest rates?

The policy of the Soviet Union regarding the basic rights of Jews and other minorities within its territory is well known. Freedom of religion is strictly limited. Jewish schools, books, newspapers, plays, films, and all other forms of cultural expression are forbidden. Russian Jews who declare their wish to return to their traditional homeland are immediately fired from their jobs and are subject to every conceivable form of harassment including imprisonment.

This is a systematic pattern of repression against tens of thousands of individuals who seek only to build a new life for themselves in Israel and who are depending upon our support in their struggle for freedom.

The Soviet Union claims that many of those denied permission to leave are individuals involved in matters of state security. This is merely a pretext to deny emigration to hundreds of scientists and prominent personalities in the arts who have had no contact with classified information, or in a few cases dealt with secret material 15 to 25 years ago. These people are kept as virtual hostages as an example to deter others from applying for exit visas.

The announcement that the notorious exit tax is no longer being enforced is no evidence of a Soviet change of heart. History has shown us that the Soviet Union enforces and then ignores its own

exit tax statutes whenever it hopes to win a particular favor from the West. Does anyone seriously believe that Russian Jewry would be safe from the reimposition of the "ransom" tax once the Soviet Union received the unrestricted trade concessions it now seeks?

As long as Russia restricts freedom of religion, freedom of thought, freedom of expression, and freedom of movement, it cannot be counted as a responsible member of the family of free nations.

Détente will not automatically make Russia our friend, as the Mideast war has shown. The basic conflict between the Russian and American ways of life will never be resolved as long as Russia persists in its suppression of individual liberties.

It is one thing to sit down and talk with your opponent and it is another to offer him aid and comfort. In the interest of détente we should talk with Russia, but in the interest of freedom we must not give Russia most-favored-nation status, trade credits, or loan guarantees until freedom of emigration is guaranteed.

Only when the Soviet Union grants visas to the more than 100,000 persons who wish to leave, only when it stops using the excuse of state security to prevent the departure of prominent individuals, and only when it allows free emigration from all areas of Russia including the major population centers of Moscow, Leningrad, Kiev and Odessa, should we consider granting the Soviet Union special trade concessions.

During this past summer I visited the Jewish refugee center in Vienna. A few months ago, Austria agreed to yield to Arab terror and ordered the center closed. The solution to this problem is simply to have the Soviet Union allow Israeli planes to carry Soviet Jews directly from Russia to Israel. With the enactment of the Jackson-Mills-Vanik section of the trade bill, the Soviets may be encouraged to allow direct flights to Israel as they seek to comply with the terms of the legislation.

Although the administration has opposed the Jackson-Mills-Vanik legislation in the past, I call upon President Nixon to support it now. Our Nation must stand firm against the restrictive and aggressive policies of the Soviet Union. We cannot accept "détente at any price" and must never agree to bargain with human rights.

Mr. ULLMAN. I yield to the gentleman from Illinois (Mr. COLLIER).

Mr. COLLIER. I thank the gentleman for yielding.

Mr. Chairman, I should like to point out to at least those who supported the position of my colleague, the gentleman from Georgia, (Mr. BLACKBURN), that what the Members are actually doing here is saying that if the Soviet Union does comply with what we all feel is a desirable emigration policy, then they would be allowed most-favored-nation trade and the credits that are involved in the amendment we just voted on.

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of the Conable amendment to strike title IV.

Wherever we turn—steel, petroleum, timber, sugar, grain, metals, fertilizers—we are finding the world's resources stretched more tightly than before to provide the growing world population with the rising standards of living they seek.

The world needs to use its scarce resources more efficiently. We are currently struggling with an energy crisis—which has been merely aggravated by the Arab oil embargo. The fundamental crisis is that we are using energy up more rapidly than we are discovering new energy resources.

The world's stocks of food commodities are at low levels—partly because of poor crops in several regions of the world in 1972, but even more importantly because of the rising incomes of the world's peoples and their demonstrated desire to improve their standards of eating. Agricultural production is thus at a higher premium than at any time in recent decades.

Freer trade can make a real contribution in this time of rising demand through using our resources more efficiently.

That is really what the Trade Reform Act of 1973 is all about. It would continue the world's long-term effort to lower trade barriers and allow goods and services to move more efficiently across national borders.

No modern economy in the entire world today is self-sufficient. We are all dependent in some degree on imports. In the United States, for example, there are many things which we cannot effectively produce at all—raw materials like tin, foodstuffs like coffee and bananas.

There are many additional items that other nations are set up to produce more efficiently. Their specialties range from high-technology cameras and electronic components to little hand-made toys and kitchen gadgets. We can import these items more cheaply than we can make them ourselves. The higher our standard of living goes, the less self-sufficient we become. These are the reasons that imports are becoming more and more important to us.

By the same token, there are many things that the United States does well. We are the world's leading producer of such high-technology items as computers, machine tools, and jet aircraft. We are also the world's largest exporter of farm products. Thus other countries are depending more and more heavily on the United States for the food to feed themselves, for equipment to run their industries efficiently, and for the aircraft to link their cities together.

Freer trade makes it possible for Americans to live better.

At the same time, it permits the other peoples of the world to live better.

We are all better off because we take fuller advantage of the special resources, and abilities of each country and each people.

With the rising demands being made on the world's resources, freer trade becomes more and more important to all of us.

I am sure that Americans are more vividly aware of the importance of imports—and of exports to pay for them—than at any time since our colonial days.



We have been forcefully reminded that we do not produce enough energy right now to meet even our current requirements, let alone enough to meet our economic growth needs for the next few years.

Export buyers are bidding higher for our farm output than they have in the past—and it is fortunate that they are. I shudder to think where the value of the U.S. dollar would stand today without the \$5 billion improvement in our net agricultural trade balance this year over last. The increasing price of our oil imports alone is likely to cost more than \$3 billion extra last year, even assuming we can get them. Although the increased bidding for our farm products by overseas buyers has contributed to a sharp increase in U.S. food prices, the earnings from our farm exports have kept us afloat.

Freer trade has been a goal of the United States at least since the disastrous tariff wars of the 1920's—the tariff wars that helped to bring on the Great Depression.

Freer trade takes on even greater importance today as we try to use our resources more effectively. It is the one thing we can count on consistently to make what we have go further.

Let me give you just one example, from the field of agriculture. By coincidence, agriculture is one of the areas where we have made the least progress in lowering trade barriers, and it is also one of the areas where the U.S. comparative advantage is greatest.

In recent years, while the United States has been idling farming resources because we have not had markets for all of our productive capacity, the Europeans have been protecting their farmers with a high variable levy and very high grain prices. The effect has been to make meat a high-priced item for Europeans.

As a result, Europeans have not been able to afford as much meat as they wanted. At the same time, U.S. farmers have been deprived of a consistent market for the output from some of their acres. Both sides have been less well off.

In the future, if the Europeans shifted their farming resources more heavily into caring for livestock—and opened their borders to grain imports from other countries—they could provide good incomes for their farmers and more reasonable meat prices for their consumers. We would benefit in the United States because it would allow our farmers to gear up more of the productive power they have been holding in reserve. We could earn more foreign currency to pay for the things we import, and still have plenty of farm products for our own people.

That is how freer trade is supposed to operate. That is how it can help us toward a higher standard of living. That is how it can provide jobs in the American economy, and help people overseas at the same time.

That is why I believe the Congress should pass the Trade Reform Act of 1973, and give our negotiators a strong tool with which to move the whole world forward to freer trade and better living.

Mr. RANDALL. Mr. Chairman, I rise

in opposition to the amendment sponsored by the gentleman from New York (Mr. CONABLE). This amendment would strike title IV, the authority to extend most-favored-nation treatment in imports from Communist countries, from the bill. A vote against the Conable amendment is a vote for retention of title IV. As presently written, title IV ties the conferral of most-favored-nation status to emigration policies.

Mr. Chairman, authentic negotiations, be they contract negotiations, or trade negotiations, always involve give and take on both sides. From its past performance in dealing with the Russians, this administration fails to realize this simple fact of life.

I for one happen to be tired of seeing us give all the time without demanding any concession in return. The two most important series of negotiations we've had with the Soviets—those leading to the Salt treaty and those resulting in the wheat deal—both seemed to involve all giving on the part of the United States, but very little taking. There is substantial evidence that the much acclaimed Salt treaty may have perilously jeopardized our strategic force posture vis-a-vis that of the U.S.S.R.

Numerous reports now indicate the Soviets are seeking a clear-cut superiority in the quality of ballistic missiles rather than parity. We left the door wide open for this development by agreeing to a freeze on ICBM's, in which we are numerically inferior, without a companion clause limiting development of MIRV capability.

Then the debacle of the Russian wheat deal is too well known to warrant extensive comment. The Americans ended up subsidizing the Russians to the tune of about \$400 million. The American consumer and the American farmer are still suffering from the fallout of the grain deal. In some places flour prices increased to the baker by 100 percent.

If we pass this bill without title IV, we will be putting our stamp of approval on future "deals" such as the Salt treaty and the grain sale. We will be giving unqualified approval to negotiations where the United States does all the giving and no taking. We will be saying to the Russians, "We guarantee all your import needs for the next few years, even if it means there will be no bread on American tables, in fact we will sell you all you need on credit."

We ought to demand a quid pro quo in all our negotiations with every country but particularly a country with a recent record of over-producing us—such as the Soviet Union. For this reason, we ought to reject the Conable amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York (Mr. CONABLE).

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

## RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic de-

vice, and there were—ayes 106, noes 298, not voting 28, as follows:

[Roll No. 644]

## AYES—106

Alexander	Gubser	Passman
Andrews,	Hamilton	Patman
N. Dak.	Hammer-	Poage
Arends	schmidt	Powell, Ohio
Ashley	Hanna	Price, Tex.
Bennett	Hansen, Idaho	Quie
Bowen	Harsha	Rhodes
Bray	Hastings	Roberts
Brown, Mich.	Hechler, W. Va.	Robison, N.Y.
Brown, Ohio	Hinshaw	Ruppe
Broyhill, Va.	Hosmer	Ruth
Burleson, Tex.	Hutchinson	Schneebell
Burlison, Mo.	Jarman	Sebelius
Camp	Johnson, Colo.	Sikes
Carter	Kastenmeier	Skubitz
Chamberlain	Keating	Stanton
Chappell	Landrum	J. William
Cochran	Littton	Steiger, Wis.
Collier	Lott	Stephens
Conable	McClory	Symington
Davis, Wis.	McCollister	Teague, Tex.
Dellenback	McEwen	Treen
Denholm	McKay	Van Deerlin
Dennis	McSpadden	Vander Jagt
Devine	Mahon	Vigorito
Dickinson	Mailliard	Waggonner
Duncan	Mallory	Ware
Edwards, Ala.	Martin, Nebr.	Whalen
Eshleman	Mayne	Whitten
Findley	Milford	Wiggins
Flowers	Mink	Wilson, Bob
Flynt	Montgomery	Wylie
Frelinghuysen	Mosher	Young, Fla.
Gibbons	Moss	Zablocki
Goodling	Myers	Zwack
Green, Oreg.	Nelsen	
Gross	Obey	

## NOES—298

Abzug	Conyers	Hanley
Adams	Corman	Hanrahan
Addabbo	Cotter	Harrington
Anderson,	Coughlin	Harvey
Calif.	Crane	Hawkins
Anderson, Ill.	Cronin	Hays
Andrews, N.C.	Culver	Heckler, Mass.
Annunzio	Daniel, Dan	Helstoski
Archer	Daniel, Robert	Henderson
Armstrong	W. Jr.	Hicks
Ashbrook	Daniels	Hillis
Badillo	Dominick V.	Hogan
Bafalis	Davis, Ga.	Hollifield
Baker	Davis, S.C.	Holt
Barrett	de la Garza	Holtzman
Bauman	Delaney	Horton
Beard	Dellums	Howard
Bell	Dent	Huber
Bergland	Derwinski	Hudnut
Bevill	Diggs	Hungate
Biaggi	Dingell	Ichord
Blester	Dorn	Johnson, Calif.
Bingham	Downing	Johnson, Pa.
Blackburn	Drinan	Jones, Ala.
Blatnik	Dulski	Jones, N.C.
Boggs	du Pont	Jones, Okla.
Boland	Eckhardt	Jones, Tenn.
Bolling	Edwards, Calif.	Jordan
Brademas	Eilberg	Karth
Brasco	Esch	Kazen
Breaux	Evans, Colo.	Kemp
Breckinridge	Evins, Tenn.	Ketchum
Brinkley	Fascell	King
Brooks	Flood	Kluczynski
Broomfield	Foley	Koch
Brotzman	Ford	Kuykendall
Brown, Calif.	William D.	Kyros
Broyhill, N.C.	Forsythe	Landgrebe
Buchanan	Fountain	Latta
Burgener	Fraser	Leggett
Burke, Fla.	Frenzel	Lehman
Burke, Mass.	Frey	Lent
Burton	Freohlich	Long, La.
Byron	Fulton	Long, Md.
Carney, Ohio	Fuqua	Lujan
Casey, Tex.	Gaydos	McCloskey
Cederberg	Gettys	McCormack
Chisholm	Gialmo	McDade
Clancy	Gilman	McFall
Clark	Ginn	McKinney
Clausen,	Goldwater	Macdonald
Don H.	Gonzalez	Madden
Clawson, Del	Grasso	Madigan
Clay	Green, Pa.	Maraziti
Cleveland	Griffiths	Martin, N.C.
Cohen	Grover	Mathias, Calif.
Collins, Ill.	Gude	Mathis, Ga.
Collins, Tex.	Gunter	Matsunaga
Conlan	Guyer	Mazzoli
Conte	Haley	Meeds

Melcher	Riegle	Stratton
Metcalf	Rinaldo	Stubblefield
Mezvinsky	Robinson, Va.	Stuckey
Miller	Rodino	Studds
Minish	Roe	Sullivan
Mitchell, Md.	Rogers	Symms
Mitchell, N.Y.	Roncallo, Wyo.	Talcott
Mizell	Roncallo, N.Y.	Taylor, Mo.
Moakley	Rooney, Pa.	Taylor, N.C.
Mollohan	Rose	Teague, Calif.
Moorhead, Pa.	Rosenthal	Thomson, Wis.
Morgan	Rostenkowski	Thone
Murphy, Ill.	Roush	Tiernan
Murphy, N.Y.	Rousselot	Towell, Nev.
Natcher	Roy	Udall
Nedzi	Roybal	Ullman
Nichols	Runnels	Vanik
Nix	Ryan	Waldie
O'Brien	St Germain	Wampler
O'Hara	Sandman	White
O'Neill	Sarasin	Whitehurst
Owens	Sarbanes	Widnall
Parris	Satterfield	Williams
Patten	Scherle	Wilson,
Pepper	Schroeder	Charles H.,
Perkins	Seiberling	Calif.
Pettis	Shipley	Wilson,
Peyser	Shriver	Charles, Tex.
Pickle	Shuster	Winn
Pike	Sisk	Wolf
Podell	Slack	Wright
Preyer	Smith, Iowa	Wyder
Price, Ill.	Smith, N.Y.	Wyman
Pritchard	Snyder	Yates
Quillen	Spence	Yatron
Rallsback	Staggers	Young, Alaska
Randall	Stanton,	Young, Ga.
Rangel	James V.	Young, Ill.
Rarick	Stark	Young, S.C.
Rees	Steed	Young, Tex.
Regula	Steele	Zion
Reid	Steelman	
Reuss	Steiger, Ariz.	

## NOT VOTING—28

Abdnor	Hansen, Wash.	Shoup
Aspin	Hébert	Stokes
Burke, Calif.	Heinz	Thompson, N.J.
Butler	Hunt	Thornton
Carey, N.Y.	Mann	Veysey
Danielson	Michel	Walsh
Donohue	Mills, Ark.	Wyatt
Erlenborn	Minshall, Ohio	
Fish	Moorhead,	
Fisher	Calif.	
Gray	Rooney, N.Y.	

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DANIELSON. Mr. Chairman, at the time the votes were taken on the Vanik and Conable amendments to the Trade Reform Act of 1973, I was unavoidably absent attending a meeting at the White House. Had I been present for roll No. 643, the Vanik amendment to deny the extension of credits to nations which deny or infringe the right to emigrate, I would have voted "aye." Had I been present for roll No. 644, the Conable amendment to strike title IV of the act, I would have voted "no."

As assistant majority whip, I knew before I left the floor that my vote would not be necessary to assure the adoption of the Vanik amendment or to retain title IV of the Act. I very much support the concept of free emigration embodied in the Vanik amendment and title IV, and long ago I joined with Mr. VANIK and Mr. MILLS in sponsoring H.R. 3912, which would have accomplished the same goals.

Mr. ULLMAN. Mr. Chairman, there are no further committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, 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. 10710) to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States and for other purposes, pursuant to house resolution 657, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

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

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

Mr. DENT. 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—ayes 272, noes 140, not voting 20, as follows:

[Roll No. 645]

## AYES—272

Alexander	Diggs	Kazen
Anderson,	Dorn	Keating
Calif.	Downing	Kemp
Anderson, Ill.	Drinan	Ketchum
Andrews, N.C.	Duncan	King
Archer	du Pont	Koch
Arends	Edwards, Ala.	Kuykendall
Armstrong	Esch	Landgrebe
Ashley	Eshleman	Landrum
Aspin	Evans, Colo.	Latta
Bafalis	Eyins, Tenn.	Leggett
Baker	Fascell	Lehman
Bauman	Findley	Lent
Beard	Fish	Long, Md.
Bell	Flowers	Lott
Bennett	Flynt	McClary
Bergland	Foley	McCloskey
Bevill	Forsythe	McCollister
Blester	Fountain	McCormack
Bingham	Fraser	McEwen
Blackburn	Frelinghuysen	McFall
Blatnik	Frenzel	McKay
Boggs	Frey	McKinney
Bolling	Fulton	Madigan
Bowen	Fugua	Mahon
Breckinridge	Gettys	Mailliard
Brinkley	Gibbons	Mallory
Broomfield	Gilman	Mann
Brotzman	Ginn	Maraziti
Brown, Calif.	Goldwater	Martin, Nebr.
Brown, Mich.	Goodling	Martin, N.C.
Brown, Ohio	Green, Oreg.	Mathias, Calif.
Broyhill, N.C.	Griffiths	Mathis, Ga.
Broyles, Va.	Grover	Matunaga
Buchanan	Gubser	Mayne
Burgener	Gude	Mazzoli
Burke, Fla.	Gunter	Meeds
Burleson, Tex.	Guyer	Mezvisinsky
Butler	Haley	Millford
Camp	Hamilton	Miller
Casey, Tex.	Hammer-	Mink
Cederberg	schmidt	Minshall, Ohio
Chamberlain	Hanley	Mitchell, N.Y.
Chappell	Hanrahan	Mizell
Clancy	Hansen, Idaho	Montgomery
Clausen,	Hansen, Wash.	Moorhead,
Don H.	Harrington	Calif.
Clawson, Del	Harsha	Mosher
Cleveland	Harvey	Myers
Cochran	Hastings	Natcher
Cohen	Henderson	Nelsen
Collier	Hillis	Nichols
Collins, Tex.	Hinshaw	Obey
Conable	Hogan	O'Brien
Conte	Holifield	O'Neill
Corman	Holt	Parris
Coughlin	Horton	Passman
Crane	Hosmer	Pettis
Culver	Hudnut	Peyser
Daniel, Dan	Hutchinson	Pickle
Daniel, Robert	Jarman	Pike
W. Jr.	Johnson, Colo.	Powell, Ohio
Davis, Wis.	Johnson, Pa.	Preyer
Dellenback	Jones, Ala.	Price, Tex.
Dennis	Jones, N.C.	Pritchard
Derwinski	Jones, Okla.	Quile
Devine	Karth	Quillen
Dickinson	Kastenmeier	Rallsback

Rees	Shriver	Udall
Regula	Shuster	Ullman
Reid	Sikes	Van Derlin
Reuss	Sisk	Vander Jagt
Rhodes	Skubitz	Waggonner
Riegle	Smith, Iowa	Wampler
Roberts	Spence	Ware
Robinson, Va.	Stanton,	Whalen
Robison, N.Y.	J. William	White
Rogers	Steed	Whitehurst
Roncallo, N.Y.	Steelman	Whitten
Rooney, Pa.	Steiger, Ariz.	Widnall
Rose	Steiger, Wis.	Wilson, Bob
Roush	Stephens	Winn
Rousselot	Stuckey	Wolf
Roy	Symms	Wright
Ruppe	Talcott	Wyder
Ruth	Taylor, N.C.	Wylie
Sandman	Teague, Calif.	Young, Fla.
Sarasin	Teague, Tex.	Young, Ill.
Satterfield	Thomson, Wis.	Young, S.C.
Scherle	Thone	Zablocki
Schneebeli	Thornton	Zion
Schroeder	Towell, Nev.	Zwach
Sebelius	Treen	

## NOES—140

Abzug	Froehlich	Podell
Adams	Gaydos	Price, Ill.
Addabbo	Gialmo	Randall
Andrews,	Gonzalez	Rangel
N. Dak.	Grasso	Rarick
Annunzio	Green, Pa.	Rinaldo
Ashbrook	Gross	Rodino
Badillo	Hawkins	Roe
Barrett	Hays	Roncallo, Wyo.
Blaggi	Hechler, W. Va.	Rosenthal
Boland	Heckler, Mass.	Rostenkowski
Brademas	Helstoski	Roybal
Brasco	Hicks	Runnels
Bray	Holtzman	Ryan
Breaux	Howard	St Germain
Brooks	Huber	Sarbanes
Burke, Mass.	Hungate	Seiberling
Burlison, Mo.	Ichord	Shipley
Burton	Johnson, Calif.	Slack
Byron	Jones, Tenn.	Snyder
Carey, N.Y.	Jordan	Staggers
Carney, Ohio	Kluczynski	Stanton,
Carter	Kyros	James V.
Chisholm	Litton	Stark
Clark	Long, La.	Steele
Clay	Lujan	Stratton
Collins, Ill.	McDade	Stubblefield
Conlan	McSpadden	Studds
Conyers	Macdonald	Sullivan
Cotter	Madden	Symington
Cronin	Melcher	Taylor, Mo.
Daniels,	Metcalf	Tiernan
Dominick V.	Minish	Vanik
Danielson	Mitchell, Md.	Vigorito
Davis, Ga.	Moakley	Waldie
Davis, S.C.	Mollohan	Williams
de la Garza	Moorhead, Pa.	Wilson,
Delaney	Morgan	Charles H.,
Dellums	Moss	Calif.
Denholm	Murphy, Ill.	Wilson,
Dent	Murphy, N.Y.	Charles, Tex.
Dingell	Nedzi	Wyman
Donohue	Nix	Yates
Dulski	O'Hara	Yatron
Eckhardt	Owens	Young, Alaska
Edwards, Calif.	Patman	Young, Ga.
Eilberg	Patten	Young, Tex.
Flood	Pepper	
Ford,	Perkins	
William D.	Poage	

## NOT VOTING—20

Abdnor	Heinz	Stokes
Burke, Calif.	Hunt	Thompson, N.J.
Erlenborn	Michel	Veysey
Fisher	Mills, Ark.	Walsh
Gray	Rooney, N.Y.	Wiggins
Hanna	Shoup	Wyatt
Hébert	Smith, N.Y.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Fisher for, with Mr. Thompson of New Jersey against.

Mr. Gray for, with Mr. Stokes against.

Until further notice:

Mr. Hanna with Mr. Smith of New York.  
Mr. Mills of Arkansas with Mr. Michel.  
Mrs. Burke of California with Mr. Shoup.  
Mr. Heinz with Mr. Abdnor.



Mr. Hunt with Mr. Wiggins.  
Mr. Erlenborn with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed and the amendments thereto.

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

There was no objection.

#### PERSONAL ANNOUNCEMENT

Mr. BUTLER. Mr. Speaker, I was away from the House on committee business at the time of the vote on the Trade Reform Act of 1973. Had I been present, I would have voted "yea" on the Vanik amendment and "nay" on the Conable amendment.

#### PERSONAL ANNOUNCEMENT

Mr. FISH. Mr. Speaker, during consideration of amendments to the Trade Reform Act of 1973, I was absent from the Chamber on a committee assignment. Had I been present, I would have voted "yea" on the Vanik amendment and "nay" on the Conable amendment.

#### HOOR OF MEETING ON WEDNESDAY, DECEMBER 12, 1973

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock a.m., tomorrow, Wednesday, December 12, 1973.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, in this mad stampede to consider legislation after the lost time earlier this session, can the gentleman at this time give the House any indication as to when next week we may adjourn the first session of the 93d Congress sine die?

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I will give him an answer to the best of my ability. I am sure the gentleman is aware of the program for the remainder of the week. We are going forward today with the emergency security assistance to Israel and Cambodia, and following that with the foreign aid appropriations. We hope to conclude those bills today. Tomorrow it is planned we will bring up first thing the National Emergency Energy Act if it gets a rule today. As the gentleman knows, ours is a different bill than the one which has already passed the Senate.

The one thing that I can see that would be holding us up from adjournment next week would be the conference on the energy bill.

Mr. GROSS. I am concerned—I do not know about other Members of the House but speaking only for myself I

am concerned about whether we are going to be in session at the end of next week and will have to cancel airplane reservations that will be very difficult to reestablish. In other words, are we going to adjourn at the end of next week in the midst of or perhaps after the Christmas traffic has started?

Mr. O'NEILL. All I can say to the gentleman is that I have my own reservations for the 20th and I hope I am able to keep them. The main item that will be preventing the House adjourning is the conference on the energy bill because of the variations and differences between the bills passed by the two Houses. There will be many other conference reports coming back. We want to get the energy bill done so we can give the Committee on Interstate and Foreign Commerce an opportunity to work on it in conference.

Mr. GROSS. With the gentleman's statement that he has reservations for the 20th and his indication that he and the other leaders will do their best so that we will be out by the 20th, I withdraw my reservation of objection.

Mr. RHODES. Mr. Speaker, further reserving the right to object, the Republicans have a conference scheduled for tomorrow at 10. We would be perfectly willing to call it off for 1 day. Can the majority leader project his thinking into whether or not on Thursday he might ask for permission to come in early?

Mr. O'NEILL. May I say to the minority leader, I thought we had already cleared this matter with his side.

Mr. RHODES. The gentleman had. Mr. O'NEILL. In view of that, we are going on a day-by-day basis. The main reason is that we would like to see tomorrow if we can get the energy bill through because that will get it into conference as quickly as possible, and pending the resolution of it, the schedule will depend on that.

Mr. RHODES. I understand. We will reschedule our conference for Thursday morning.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

#### PERSONAL EXPLANATION

Mr. HEINZ. Mr. Speaker, I was unavoidably absent this morning on official business in my district. Unfortunately, my return flight was also delayed by a closed runway at National Airport. Had I been present, I would have voted as follows:

On rollcall No. 643, on the Vanik amendment, I would have voted aye; on rollcall 644, on the Conable amendment, I would have voted no; and on rollcall 645, on the passage of H.R. 10710, I would have voted yea.

#### PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN REPORTS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I ask unanimous consent that the committee

may have until midnight tonight to file certain reports.

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

There was no objection.

#### PROVIDING FOR CONSIDERATION OF H.R. 11088, EMERGENCY SECURITY ASSISTANCE ACT OF 1973

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 742 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 742

*Resolved*, That upon the adoption of this resolution it shall be in order to move, clause 27(d)(4) of rule XI to the contrary notwithstanding, 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. 11088) to provide emergency security assistance authorizations for Israel and Cambodia. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendments recommended by the Committee on Foreign Affairs now printed in the bill, and all points of order against said amendments for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 742 provides for an open rule with 1 hour of general debate on H.R. 11088, a bill to provide emergency security assistance authorizations for Israel and Cambodia.

House Resolution 742 provides that points of order against clause 27(d)(4) of rule XI of the Rules of the House of Representatives, the 3-day rule, are waived. House Resolution 742 also provides that it shall be in order to consider the amendments recommended by the Committee on Foreign Affairs now printed in the bill, and points of order against the amendments for failure to comply with the provisions of clause 7, rule XVI of the Rules of the House—the germaneness provision—are waived.

The purpose of H.R. 11088 is to help maintain a military balance necessary for the achievement of peace in the Middle East through authorizing \$2,200-million in emergency security assistance to Israel in the fiscal year 1974. H.R. 11088 places certain restrictions on the use of assistance in excess of \$1.5 billion. Prior to the obligation or expenditure of such assistance the President will be required to make a determination

that the aid is needed, and he must report to the Congress at least 20 days prior to the date on which funds are obligated.

H.R. 11088 also authorizes the President to use such sums as may be necessary, from the amounts authorized in the bill, for payment of the U.S. share of the expenses of the United Nations Emergency Force in the Middle East.

Mr. Speaker, I urge adoption of House Resolution 742 in order that we may discuss and debate H.R. 11088.

Mr. Speaker, I would like to add that I think all of us heartily commend the President for the prompt and effective action that he took when advised that the Russians were pouring large quantities of weapons into Egypt and Syria in the recent war between those nations and Israel. The war was terribly exacting of Israel, their losses in material were so serious, that if our country had not promptly and effectively responded to this challenge with the Russian aid in such enormous quantities going to the other side, the future of Israel might have been in the gravest jeopardy; so we have thrown our force and our might against the aid that has been given by the Soviet Union, to preserve and to protect the integrity of this citadel, this bulwark of freedom, as well as those people who have so long striven to enjoy liberty, freedom, independence, and integrity in that old part of the world with which they have been so long associated.

So now we provide this \$2,200 million, which will not have to be paid back, at the discretion of the President, by Israel in this critical moment of crisis they face. It is a commendable proposal and I am sure the House will wish to adopt this rule in order that we may appropriate these funds for the aid of brave and great Israel.

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

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

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding. I would like to ask him a question with reference to the waiver of two of the rules of the House. The rule provided for in this resolution is a little bit unusual in that on line 2 of the first page of H. Res. 742, it says that on the adoption of the resolution:

It shall be in order to move, Clause 27(d) (4) of Rule XI to the contrary notwithstanding—

What is the reason for that waiver?

Mr. PEPPER. Mr. Speaker, may I ask the distinguished chairman of the Committee on Foreign Affairs, Dr. MORGAN, to respond to that?

Mr. MORGAN. Mr. Speaker, I would say to the gentleman from Ohio that we were held up in filing our report, and when we went up to get this rule, we did not know if the bill would be brought up before the end of the 3-day waiting period. This rule, therefore, waives the 3-day waiting period.

Mr. WYLIE. My other question is with reference to the rule referred to on line 3, page 2, where it says:

And all points of order against said amendments for failure to comply with the provisions of Clause 7, Rule XVI are hereby waived.

Why did the Rules Committee adopt that waiver to the rules of the House?

Mr. PEPPER. Mr. Speaker, I yield to the chairman of the Committee on Foreign Affairs, Mr. MORGAN, to respond to that inquiry.

Mr. MORGAN. Mr. Speaker, I must say to the gentleman from Ohio that this was necessary, because there was some debate between members of the Foreign Affairs Committee and the Parliamentarian as to the germaneness of section 6 of the bill, whether that section is a violation of the clause that the gentleman mentioned. Therefore, to be on the safe side, we requested this waiver.

Mr. WYLIE. Mr. Speaker, will the gentleman yield for an additional question? The chairman mentioned section 6 of H.R. 11088.

Mr. MORGAN. Section 6 of the bill was a committee amendment.

Mr. WYLIE. What does section 6 do that is against the rules of the House?

Mr. MORGAN. Section 6 says:

Of the funds appropriated pursuant to section 2, the President may use such sums as may be necessary from time to time for payment by the United States of its share of the United Nations Emergency Force in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter.

Mr. WYLIE. Mr. Speaker, I thank the gentleman. So, this waives the rule which states that an appropriation is not in order until the passage of an authorization bill?

Mr. MORGAN. No, this is just an authorization. This money will come out of the \$2.2 billion authorized. It is not an appropriation.

Mr. PEPPER. This is the authorizing bill.

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

Mr. Speaker, the title of the bills states, "to provide emergency security assistance authorizations for Israel and Cambodia." I would like to ask the chairman of the committee if aid to Cambodia was not eliminated from the bill.

Mr. PEPPER. Mr. Speaker, the gentleman is correct. Cambodia was eliminated from the substance and content of the bill, but it still is in the title.

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

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

Mr. GROSS. Mr. Speaker, why then does the rule state that this is a bill for assistance authorization for Israel and Cambodia?

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

Mr. QUILLEN. Mr. Speaker, I will be glad to yield to the chairman.

Mr. MORGAN. Mr. Speaker, the original bill, H.R. 11088, as the gentleman from Iowa knows as a member of the committee, provided emergency security assistance authorizations for Israel and Cambodia. Then the bill was amended in the committee where the authorization was fixed at \$2.2 billion.

The necessity for the authorization of \$200 million for Cambodia was eliminated, because that \$200 million necessary for Cambodia was incorporated in the foreign aid authorization, which passed this body last week. The conferees on that bill have authorized the Department of Defense to use the authority in the Foreign Assistance Act to draw down military articles for Cambodia.

Therefore, the additional authorization is necessary.

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

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

Mr. GROSS. Was not the bill, presently before the House, H.R. 11088, as amended, the bill for which the rule was granted?

Mr. MORGAN. The gentleman is correct.

Mr. GROSS. Mr. Speaker, I still have received no answer to the question as to why the House is misled by the language in the rule which states "emergency security assistance authorizations for Israel and Cambodia." The provision for Cambodia in the bill was stricken in committee.

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

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

Mr. MORGAN. The original title of the bill in front of us was "To provide emergency security assistance authorizations for Israel and Cambodia."

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

Mr. QUILLEN. Yes, I yield to the gentleman.

Mr. GROSS. Mr. Speaker, I wonder if it was explained to the Rules Committee why Cambodia was taken out of the bill?

Mr. QUILLEN. Mr. Speaker, I will respond to the gentleman.

It was explained before the Committee on Rules, and my reason for bringing it up at this time is to clarify that the \$200 million for Cambodia was eliminated by the committee. This was explained to the members of the Committee on Rules, but I wanted it clarified here for the benefit of the Members of the House.

Mr. GROSS. Mr. Speaker, was that for the purpose of putting it in another bill so that certain Members in the House would not have to vote for Cambodia but could vote for funds for Israel? Does the gentleman have any indication that is the reason why Cambodia was stricken from the bill, although it was included by the administration?

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

Mr. QUILLEN. I will be glad to yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Speaker, I must point out to the gentleman from Iowa that the conference on the foreign assistance authorization was going on before hostilities broke out in the Middle East of October 6. The decision to provide special emergency assistance to Cambodia in the Foreign Assistance Act was made during that conference. It was not designed to take it out of this bill. It came as a result of a proposal by the other body in the conference long before we took up this legislation.

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



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

Mr. GROSS. The cold, hard facts of life indicate that it was taken out of this bill, and I wish that someone would explain to the House why it was stricken.

Mr. MORGAN. Well, if the gentleman will yield further, the gentleman from Iowa was at the hearings, because the gentleman is always a very conscientious participant in the hearings on foreign aid, and he was present when the counsel from the Department of Defense, Mr. Forman, got up and, in response to a question, said that this additional authorization for Cambodia was no longer necessary.

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

Mr. QUILLEN. Yes, I will be happy to yield.

Mr. GROSS. Mr. Speaker, let us never, under any circumstance, embarrass anyone around here on a vote.

Mr. QUILLEN. Mr. Speaker, we all realize the emergency involved and the need for this measure. It is appropriate that it be brought to the floor at this time for speedy action, and I urge the adoption of the rule, for the consideration and passage of the bill.

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

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### PROVIDING FOR CONSIDERATION OF H.R. 11771, FOREIGN ASSISTANCE APPROPRIATIONS, 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 739 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 739

*Resolved*, That during the consideration of the bill (H.R. 11771) making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1974, and for other purposes, all points of order against said bill are hereby waived.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN) and to myself such time as I may consume.

Mr. Speaker, House Resolution 739 provides for a waiver of points of order against H.R. 11771, the foreign assistance appropriation bill of 1974.

H.R. 11771 recommends the appropriation of new budget authority of \$5,333,912,000 for the fiscal year 1974 for Foreign Assistance Act activities, foreign military credit sales, and emergency security assistance and disaster relief assistance. This figure is \$1,532,655,000 below the budget estimates and \$1,680,211,000 above the 1973 fiscal year new budget authority.

Title I of the bill includes funding for Indochina postwar reconstruction assist-

ance. It provides that none of the funds appropriated in the bill may be used to provide for any type of assistance to North Vietnam. Title I also appropriates funds for the Overseas Private Investment Corporation and the Inter-American Foundation. Title III appropriates funds for the Action program, the Inter-American Development Bank, and for refugee assistance in the United States. Title IV provides for emergency security assistance for Israel in the amount of \$2,200,000,000.

This is the appropriation bill for the authorization funded in the same amount to Israel which was presented in the previous bill.

Mr. Speaker, this is a very meritorious appropriation bill which is very much needed.

Mr. Speaker, I urge adoption of House Resolution 739 in order that we may discuss and debate H.R. 11771.

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

Mr. PEPPER. I am glad to yield to the gentleman.

Mr. WYLIE. I thank the gentleman for yielding.

On line 4 of House Resolution 739 it says "and for other purposes, all points of order against said bill are hereby waived." Do I understand the gentleman to say the authorization bill has not been passed and that the reason for this clause in House Resolution 739 waives the rule which prohibits an appropriation before the passage of authorizing legislation?

Mr. PEPPER. The reasons why the Committee on Rules waived points of order against H.R. 11771 are because: First, it contains legislation on an appropriation bill; second, reappropriations of certain funds; and third, because S. 1443, which is the foreign assistance authorization conference report, has not yet been signed into law.

Mr. WYLIE. I would just make the observation, why do we bother to adopt rules of procedure for the House if we continue to pass resolutions which waive the rules?

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

Mr. Speaker, House Resolution 739 is the rule which provides for the consideration of H.R. 11771, the Foreign Assistance Appropriations bill. This rule waives all points of order because there are several items in the bill which had not been authorized at the time the Rules Committee held its hearings.

The Foreign Aid Authorization conference report has not yet been signed into law. It provides the necessary authorization for most of the items contained in titles I and II and also for the Asian Development Bank contained in title III of the appropriations bill.

The authorizing legislation for the United Nations Environment Fund, also contained in title I of the bill, has been agreed to in conference and the conference report has been agreed to by both Houses. The other major authorizing legislation outstanding at this time is for Emergency Security Assistance for Israel and Disaster Relief Assistance which are contained in title IV of the bill.

Mr. Speaker, I have no objection to the rule in order that the House may begin debate on this legislation.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EMERGENCY SECURITY ASSISTANCE ACT OF 1973

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11088) to provide emergency security assistance authorizations for Israel and Cambodia.

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. 11088 with Mr. MURPHY of New York in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 30 minutes, and the gentleman from California, (Mr. MAILLIARD) will be recognized for 30 minutes.

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

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

Mr. Chairman, the House has before it today a major bill which I believe to be in the highest national interest.

The purpose of H.R. 11088, the Emergency Security Assistance Act of 1973, is to help maintain a military balance necessary for the achievement of peace in the Middle East.

The bill would do this through authorizing \$2,200 million in emergency security assistance appropriations to Israel in fiscal 1974.

As Members know, an appropriations bill containing this amount will be coming up shortly and there will be more debate on this same subject. So I will keep my remarks short.

#### PRESIDENTIAL REQUEST

First, I will recall for you the President's request for this emergency measure in a message to the Congress dated October 19, during the Middle East crisis.

The President asked for \$2,200 million in emergency security assistance for Israel and \$200 million for Cambodia in fiscal 1974.

The President said:

This request is necessary to permit the United States to follow a responsible course of action in two areas where stability is vital if we are to build a global structure of peace.

#### COMMITTEE ACTION

The Committee on Foreign Affairs, to whom the legislation requested by the President was referred, received briefings on the Middle East situation from the Secretary of State, the Honorable Henry A. Kissinger, on October 29 and again on November 28.

The committee received testimony in

open session on November 30 from the Honorable Kenneth Rush, Deputy Secretary of State; the Honorable William P. Clements, Jr., Deputy Secretary of Defense; and Adm. Thomas M. Moorer, Chairman of the Joint Chiefs of Staff.

The committee heard further testimony and received classified material in executive session on December 3.

The committee then marked up the bill in open session and ordered it favorably reported, with amendments, on December 4.

The committee vote for the bill was 33 to 1.

#### COMMITTEE AMENDMENTS

The committee approved three amendments.

First, the committee deleted the proposed \$200 million for Cambodia.

This action was taken in view of the conference report on S. 1443, the Foreign Assistance Act of 1973, which the House and Senate passed last week. S. 1443 provided authority under which the President could draw down up to \$200 million from U.S. defense stocks for emergency military assistance for Cambodia in fiscal 1974.

Because of this, it was unnecessary to include the amount for Cambodia in the bill before us today.

The committee also required that of the \$2,200,000,000 authorized for Israel, any amounts above \$1,500,000,000 can be obligated by the President only after he makes a determination that this is in the national interest.

The President must report any such determination to Congress at least 20 days before he commits the money, with a justification for what he is doing.

The second committee amendment directs the Secretary of Defense to conduct a study relating to the effectiveness of the military assistance program as it relates to the Middle East conflict.

Congress appropriates a lot of money for foreign military assistance programs around the world every year. This bill serves the same purpose, except that it is just for Israel.

So we ought to know what we get for our money—and this is a good chance to see what our foreign assistance weapons do compared with the weapons the Soviet Union is providing to the Arabs.

The third and final committee amendment authorizes the President to pay for the United States share of the costs of the United Nations Emergency Force in the Middle East.

The executive branch had requested a separate authorization for this, but the committee included it in this bill since the Middle East Peace Force is part of the overall Middle East peace effort supported by this bill.

This bill seeks to promote conditions for a peaceful settlement in the Middle East and to protect Israel's security. The U.N. Emergency Force also helps toward these objectives.

The U.S. payment for the United Nations Emergency Force would come out of the \$2,200 million. The U.S. share is estimated to be \$17.3 million over the first year—about 29 percent of the total peace force cost.

#### NECESSITY FOR THIS BILL

Mr. Chairman, I believe Members can easily understand why we must help Israel at this critical time when peace hangs in the balance in the Middle East.

Serious discussions are underway which could lead to a durable settlement.

But to negotiate a peace, Israel must have security. And the Arab States and the Soviet Union must be served notice that the United States will support Israel's defense, so they will not try more war instead of negotiation.

To maintain the military balance and her security, Israel needs our help.

The Soviet Union has been delivering massive amounts of modern weapons to the Arabs. Obviously the question of payments has not stopped the Soviet flow.

Israel can get equal weapons only from us. And so far, she has paid in cash or credit for all her American arms.

But Israel has suffered large war losses. Her economy has been dealt a heavy blow.

Israel already has bought nearly \$1 billion worth of military equipment from us since October 6, the outbreak of the war.

These American shipments of replacement arms have restored Israel's relative military strength to about the same as it was October 6, the committee has been told. But Soviet deliveries to the Arabs are continuing.

The Defense Department estimates that Israel may need further arms totaling somewhat more than \$1 billion, in addition to those we have already sent. This is more than Israel can afford.

What H.R. 11088 would do—in effect—would be to authorize payment for the \$1 billion worth already sent and for those additional shipments which prove to be absolutely necessary for Israel's security.

The committee approved the President's request for flexibility in deciding how much of the \$2 billion should be in grants and how much in sales credits. He needs this leeway in the changing Middle East situation. There is precedent for such authority for the President in past aid programs.

In summary, Mr. Chairman, the Foreign Affairs Committee believes there would be great reward to the United States, to the nations of the Middle East, and to the world, if permanent peace comes to this area.

For more than a quarter of a century, the Middle East has been a potential source for world conflict.

We do not want to have Soviet dominance over this strategic area.

We have an abiding special friendship for Israel.

It is in our interest to assure Israel's security—and thus to help bring about conditions for an enduring Middle East settlement.

To this end, I urge passage of this bill.

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

Mr. Chairman, the gentleman from Pennsylvania (Mr. MORGAN), the chairman of the committee has explained the bill and what we did to amend it in the

committee and there is certainly no point in my being repetitious.

Mr. Chairman, I strongly support passage of the Emergency Security Assistance Act of 1973.

This legislation is needed, not only to provide urgently needed support for Israel, but to promote conditions for negotiations leading to a durable peace in the Middle East. In my opinion, a military balance between Israel and her adversaries is a prerequisite to successful peace negotiations.

The amount requested by the President and recommended by the committee is \$2.2 billion. However, the arms requests by Israel are being carefully reviewed, and the committee has placed restrictions on the use of assistance in excess of \$1.5 billion. Sums in excess of that amount may be used only if the President determines it to be important to our national interest and reports to Congress each such determination. While we hope the full amount will not be used, the committee believes it should be authorized in case it is needed.

Recognizing the importance of maintaining the cease-fire, this legislation as amended in committee would authorize the use of funds to pay the U.S. share of expenses of the United Nations Emergency Force in the Middle East. The U.N. Emergency Force is essential if we are to prevent the renewal of hostilities, so that the adversaries can move ahead with peace negotiations.

I might add that the United States has a rather large stake in the success of the negotiations.

I urge approval of this legislation. Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in support of this legislation. However, I do so with certain qualifying reservations.

The bill H.R. 11088 authorizes \$2.2 billion. Of this amount, \$1 billion of this measure providing for the defense of Israel is justified to the extent that it will replace lost equipment and maintain the military power balance in the area. I hasten to add, however, that it is with intention that the balance of power thus provided will hopefully make possible negotiations for peace—not further hostilities.

As for the remaining \$1.2 billion this legislation makes available on the conditional basis of possible future need, I do not find any similar justification. I believe it is in our country's national interest to support and assist in the defense of our allies. At no point, however, was it demonstrated in the hearings that there exists any long-range requirement to use more than \$1.5 billion of these funds for additional arms. My sincere hope, therefore, is that the entire \$2.2 billion will not be needed.

As author of the amendment in the Foreign Affairs Committee to establish a limitation of \$1.5 billion and give to the President limited discretionary power over any additional expenditure, my purpose was to give the President a necessary diplomatic flexibility in this delicate situation.



Nevertheless, inherent in the extension of that discretionary authority to the President were certain specific implications and guidelines.

First, that he would exercise it with extreme discretion as a means of maintaining stability in the area—not in any way which would result in renewed hostilities.

Second, from a diplomatic standpoint, that this "blank check" discretionary authority would not be exercised or interpreted as an advance commitment from the United States for any future hostilities in the area—started accidentally or otherwise.

These two guidelines regarding the \$1.2 billion discretionary authority to the President are absolutely crucial. Overriding these, however, is another even more important consideration which motivated my authorship of this amendment.

I refer to the urgent social and economic needs of the entire Mideast area. These tragic conditions of poverty and ignorance have been too long overshadowed by repeated hostilities. Indeed, economic and social conditions have worsened as already scarce resources are spent on armaments.

It is for this reason that this amendment was associated to a recommendation for the formation of a Mideast Regional Development Bank. Briefly, the purpose is that at an appropriate time the executive branch will consider requesting Congress for authorization of a portion of the unused \$1.2 billion to stimulate the creation of such a bank. This view is expressed on p. 7 in the report accompanying H.R. 11088.

Mr. Chairman, I was greatly encouraged by Secretary of State Kissinger's positive reaction to the proposal when he appeared before the Foreign Affairs Committee on November 28.

The short and long-range benefits of such a bank seem obvious: governments would be energized; resources would be better utilized; and constructive human contacts would be made.

In would, in short, represent a positive, reasonable, and promising approach to promoting the social and economic development of the entire area, thereby creating a climate for true and lasting peace.

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

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

Mr. MAZZOLI. The gentleman in the well is the chief sponsor and the prime mover of one of the great pieces of legislation this House has passed and that is the war powers bill. The gentleman initiated it and is probably more familiar with the philosophy of the War Powers Act than any man in this Congress.

I would ask the gentleman two questions. First, does it concern the gentleman that in this case we are asked to pick up the pieces, in effect, to ratify action already taken by the Chief Executive?

Second, I would ask the gentleman, is there any possibility that the President could commit troops to the Middle

East with or without the sanction of the war powers bill?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MORGAN and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. At the outset I want to thank the gentleman for his counsel on and support of the War Powers Act and for his kind remarks. Those are very serious questions. I would say to the first question that I believe that the authorization in the bill before us indeed is seeking to legitimize the unilateral action the President took to resupply military materials to Israel. However, it does not negate the war powers bill passed earlier. After all, we have stated in the war powers bill that whenever it is in our national security interest, the President could, indeed, react. In no way was he hamstrung in U.S. diplomatic actions, even using our military forces short of committing our Armed Forces to combat in order to promote diplomatic efforts.

Further, in no way does the war powers bill authorize the President to involve our troops in any part of the world, including the Middle East.

Mr. MAZZOLI. If the gentleman will yield further, does he believe that on October 6 that the situation in the Mideast was the kind of emergency that would have triggered the President's ability to deploy American troops under the war powers bill?

Mr. ZABLOCKI. He did not on October 6 deploy troops.

Mr. MAZZOLI. No. I say, does the gentleman believe that situation was one that could have provided the President the right to deploy American troops?

Mr. ZABLOCKI. No. It would not.

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

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

Mr. JOHNSON of Colorado. Does the gentleman find any inconsistency with what he said to what we find under chapter 2 of the Foreign Assistance Act of 1961, under which we are granting this aid?

The CHAIRMAN. The time of the gentleman has again expired.

(At the request of Mr. MORGAN and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Mr. Chairman, I yield to the gentleman.

Mr. JOHNSON of Colorado. Section 503(d) provides:

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

In this case, to send them to Israel on a noncombatant status. So the President under this situation will be given authority to send troops to the area, is that true?

Mr. ZABLOCKI. The war powers bill provides that the President may not send troops to an area of combat or to areas where hostilities appear to be imminent.

Under the Foreign Assistance Act of 1973 what the gentleman says is true. Under the general authority provision of chapter 2—military assistance—the President may send training forces and noncombatant forces to any friendly country when the President determines such assistance will strengthen the security of the United States and promote world peace.

Mr. JOHNSON of Colorado. The bill provides for sending the Armed Forces of the United States to perform duties of a noncombatant nature, including those related to training or advice. Obviously a man is not a combatant until he gets into a combat situation. I am afraid that our noncombatants may become combatants in the future. We have not learned anything from our mistakes in Vietnam and we are repeating them here.

Mr. ZABLOCKI. Indeed, the gentleman must know that in the recent conflict when the United States had shipped replacements for military equipment and materiel to Israel, U.S. noncombatant forces were needed and involved in Israel for logistic purposes.

Mr. MAILLIARD. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, in considering this measure before us today, the Emergency Security Assistance Act of 1973, there are several thoughts that we should bear in mind. In our quest for peace in the Middle East, it is essential that we assure Israel's ability to bargain for peace from a posture of strength, just as we have always maintained a strong defensive posture for our own Nation in order to guarantee world peace. Anything less than a totally secure military force will severely restrict and hamper Israel's negotiating power in the forthcoming Geneva peace talks.

Mr. Chairman, I call to the attention of my colleagues that Israel's initial request for military equipment was some \$3.2 billion, and of that total our Nation's military experts have already pared down some \$1 billion of that request. Our Nation has already supplied approximately \$1 billion of equipment during the October 1973 hostilities. Our Nation's aid in providing military equipment was an important factor in Israel's ability to resist aggression from all sides.

Accordingly, in considering this measure today, let us bear in mind that the proposed assistance has already been whittled down by \$1 billion, that \$1 billion has already been supplied and that in providing the \$1.2 billion that is now being sought, we are helping Israel meet its essential military needs so that it can maintain a stable defense and so that it can negotiate in a spirit of independence.

It has been estimated that close to \$9 billion of military equipment was poured into the Arab States by the Soviet Union before and during the October 1973 Middle East conflict. Those estimates serve to further emphasize the need for additional U.S. assistance, if any semblance of balance is to be maintained in the Middle East.

Of further significance, as we consider this authorization, is the fact that this is the first time that Israel has sought outright grant assistance for military equipment purchases from our Nation. Over the past 25 years, that proud nation has purchased military equipment through our military sales program. However, the exorbitant costs of this recent conflict, which cost was equal to Israel's entire annual gross national product, necessitates its seeking grant assistance this time.

Since Israel's birth as a nation, over 25 years ago, the United States has remained a firm supporter of this independent democratic state. These are difficult times for our ally in the Middle East. This measure is critical to Israel's very existence.

Mr. Chairman, I am proud of our Nation's staunch support of this small bastion of freedom. Despite the attempts of some nations to use oil as a political weapon in influencing our foreign policy and in the interest of securing peace in the Middle East and in the interests of Israel's very survival, I urge my colleagues to support this Emergency Security Assistance Act, H.R. 11088.

Mr. MAILLIARD. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, to the best of my knowledge the Congress has not enacted a bill of any sort since 1958 which could reasonably be interpreted as setting congressional policy towards the Middle East. The 1958 Middle East resolution is still on the statute books, but the administration has stated publicly that it no longer considers this resolution operative.

The 1958 act was a balanced resolution. To the best of my knowledge, it did not mention any State in the Middle East but, instead, set forth a declaration to support the territorial integrity and the independence of any State in the Middle East that may be threatened.

This bill will be viewed as a major policy statement by the Congress on the Middle East.

Now, what does it say? I would like to ask any Member in the Chamber now to define what an outsider might draw from the language of this bill as representing congressional policy toward the Middle East.

It mentions only one State. It deals only with military solutions to the problem. There is no reference whatever to some very laudable and, I believe, reasonably balanced and structured declarations by the United Nations, declarations to which our Government has lent support.

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

Mr. FINDLEY. I am glad to yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, the gentleman has suggested that there is no broad policy statement in this bill with respect to our position in the Middle East.

I would think it self-evident that our policy position is that we want to see peace in the Middle East, that we do not consider we have enemies there, and

that we feel strongly that the best way to bring peace is to see that the State of Israel has enough strength to engage in negotiations with a reasonable degree of confidence, as the gentleman from New York has suggested.

I assume the gentleman is leading up to an argument that at this stage we should be attempting to establish policy by incorporating into the bill a reference to U.N. Security Council Resolution 242.

That language was offered in committee. I think that amendment would be a senseless exercise, if I may differ with the gentleman.

Mr. FINDLEY. Mr. Chairman, let me ask the gentleman a question.

Does the gentleman support the term of U.N. Resolution 242, a resolution which was advanced first under President Johnson and more recently supported by the Nixon administration?

Mr. FRELINGHUYSEN. Is the gentleman asking me for my opinion?

Mr. FINDLEY. Yes, I am.

Mr. FRELINGHUYSEN. Of course, I do, and I would assume this country continues to support that position.

Mr. FINDLEY. Mr. Chairman, let me make a statement in reference to that.

The administration has clearly stated its support for Resolution 242. But the point I was trying to make is that the Congress until this day has not only restrained itself from any declaration of support for Resolution 242, but is now considering a totally one-sided piece of legislation, one that could be misinterpreted by other nations.

Mr. MAILLIARD. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise only to point up the fact that in addition to the assistance for Israel that is involved in this legislation, there are also provisions to handle the funding for the emergency force formed by the United Nations to help establish and maintain the peace in the Middle East.

It was my privilege to handle this matter in the United Nations as a part of our delegation there on the Committee on Administration and Budget. We were able to obtain a broad-based agreement to which many countries became parties, in which the Soviets will participate for the first time in the funding, and in which Arabs, Israelis, East and West, are all participating and paying for this force. All permanent Security Council members will be asked to pay for this purpose at a rate 15 percent above their regular assessment rate for next year. Our share is only \$16.8 million.

Hence, Mr. Chairman, this is a matter of a few million dollars. I think it is a great bargain when we consider the billions of dollars we would have had to spend had the war continued. I am glad that the committee saw fit to report this item and urge its approval by the House.

Mr. MAILLIARD. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in strong support of this legislation.

I would like simply to say that I think the legislative history should indicate

that there is no justification for considering this legislation as one sided.

The fact that it gives aid to Israel, that it authorizes aid to Israel, should not be interpreted as a slap at the Arab States. It is purely a continuation of a consistent policy of trying to maintain a reasonable military balance in order to prevent a conflagration.

The fact that there have been several outbreaks of hostilities already shows we have no alternative, in my opinion, but to keep a reasonable degree of strength in the hands of Israel so that she can negotiate. It is not an indication that we do not think there should be meaningful negotiations. Of course, we feel there should be negotiations soon. Passage of this bill does not mean that there should not be substantial concessions by both sides. Of course, there must be territorial concessions by Israel with respect to the occupied lands which she has held since 1967.

In my opinion, Mr. Chairman, this country has made very plain what we feel should be done. We have supported this position in the United Nations, and I assume we should not read into passage of this bill, and giving military assistance, that in some way we are repudiating the position of our own country.

I am sorry that time has not permitted a better exposition of the position in the United States, but this bill does not attempt to enunciate an up-to-date policy position with respect to the whole Middle East. Nor do I think it fair to suggest that in some way it commits us on a different basis to the defense of Israel, or that we are not recognizing the interests of the Arab countries. Of course, we are sympathetic to them and, of course, we want to see a just settlement. There will not be a lasting settlement unless it is just, and in order for it to be just it must be just in the eyes of the participating countries.

Mr. MAILLIARD. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, this is not only a very important measure, but it is one which is, of course, exceedingly close to the hearts of many people, including many of my colleagues. I fully recognize that fact.

I think for that reason, perhaps, it is all the more incumbent on those of us who have some reservations to mention them now before it is, perhaps, too late to do so. I say that very seriously, because, of course, what we are doing here, whatever our motives, whether we think it should be done or not, is really committing an act of war. I say that because we are financing one of two belligerents and giving them the money to buy the guns and bullets to shoot the other. That is a very risky proposition.

A lot of my friends have told me that we have another Vietnam here, but we are not really talking about another Vietnam. This is a war which could be World War III. So I think it is a very serious thing that we approach. How do you justify this measure, if you do?

I say the amendment which Mr. FINDLEY, as I understand it, is going to offer, which says that we do this not only to



maintain a military balance but also in support of resolution 242 of the United Nations which looks, in the end, to an even-handed decision and a retreat to recognized and respected boundaries, is essential. It is the only thing, in my judgment, which could possibly justify our support of this measure.

You cannot support it on a financial basis, God knows. We cannot afford voting for it on any financial basis; not another \$2,200 million outside the budget. It does not help our military situation, because we are using up our own equipment. We do not have any treaty obligation. If we are going to take sides in this situation, it seems to me the very least we can do is to say, at the same time, that we recognize that there are a lot of rights and wrongs on both sides in this situation; that territory is being held which obviously sometime—at least some of it—has to be released; that there are people who have been homeless for a quarter of a century. Some of these things have to be adjusted and in maintaining a military balance in the Near East in the cause of peace, which is the justification for this bill, we are surely doing so not only to effectuate a military solution, which in the end can be no solution at all, but, in the long run, to effectuate a solution which will be permanent because it is based on justice.

I do not think I can support this bill, but if I could do so it would have to be only with the Findley amendment, as a matter of simple conscience.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in support of emergency security assistance for the State of Israel. This legislation carries out the clear intent of the recent House and Senate resolutions in support of Israel which have been cosponsored by 339 Congressmen and Senators from 48 States.

#### THE MIDEAST WAR AND AMERICAN FOREIGN POLICY

The recent Mideast war represents our first confrontation with Russian expansionism since the Cuban missile crisis.

There would have been no war in the Middle East without the intervention of Soviet arms. Russia has poured huge quantities of weapons into Egypt and Syria. Within the last year alone, it is estimated that weapons valued at more than \$3 billion have been delivered to the Arab States.

Russia is using the Middle East as an arena for testing its most sophisticated weapons and tactics, not unlike the Nazis during the Spanish Civil War. Captured documents prove the Russians planned in detail the Arab attack.

The Soviet Union blocked a cease-fire when the Arab armies appeared to be winning. Then they negotiated with the United States for the imposition of a cease-fire on the Israelis when the tide of battle had turned in their favor.

Suppose the Soviet-backed Arabs had won? Russia would gain clear dominance over the Eastern Mediterranean and over the major source of oil for Western Europe and Japan. They would also open

the Suez Canal and gain easy access to the Indian Ocean for the Soviet Navy.

Israel's defeat would have meant the subjugation of an independent state due to the application of Soviet power. The impact of such escalating Soviet power would be devastating to the free world.

Security is based not only on the might of the opposing forces but on the perception each nation has of the might of its adversaries and its friends.

We have an understanding of sorts now with the Russians based on our mutual perception of each other's strength. When the Russians feel that we are no longer equal in strength, the understanding between us may well disappear.

This emergency security legislation is a part of America's own defense to meet the thrusts and moves of the Soviets. Peaceful coexistence can be based only on Russian realization of America's will to defend its world interests.

#### ISRAEL PAYS BACK THE UNITED STATES

As we consider this legislation to provide military assistance to Israel, we should stop for a moment and consider the valuable military assistance which Israel has provided to the United States.

It is no secret that Israel has provided the United States with the latest Soviet military equipment captured from the Arabs.

Even before this latest fighting, the Israelis provided our Nation with valuable information about Soviet military technology. Only a few years ago, the Israelis captured an entire radar station which provided us with important information on how to locate, counteract and destroy Soviet radar and to protect our aircraft.

From this new Mideast war, the Israelis have provided the United States with a number of new Soviet weapons. The value to our own military defense of having these weapons in hand is incalculable.

Let us take the capture and transfer to the United States of the Soviet SAM-6 surface-to-air missile as an example:

During the months of July and August of 1968, when the United States was involved in some of its heaviest bombing over North Vietnam, the United States lost 30 planes in 27,000 sorties or a rate of 20 planes per 18,000 sorties. This figure is comparable to the loss rate of Israel during the six-day war of 1967. In both situations, ground fire and SAM-2's and 3's were the most sophisticated weapons faced.

With the introduction of the SAM-6 in the latest Mideast War, Israel's losses went up to 120 aircraft in 18,000 sorties. Eighty of those losses were directly attributable to the SAM-6, while many of the others were brought down during evasive action taken because of the SAM-6.

If the United States had faced the SAM-6 over North Vietnam, at the same ratio we would have lost at least four times as many aircraft. At least four times as many American pilots would have been killed and captured. In addition, many more American planes would have been made vulnerable to ground fire.

Considering the effectiveness of the SAM-6 against American-made aircraft

in the Middle East war, it is clearly necessary for our Defense Department to develop countermeasures against the SAM-6.

The standard method is to create a prototype of the SAM-6 and then to experiment with possible countermeasures against it. The cost of creating a prototype of the SAM-6 has been estimated by one well-informed source to be \$150 million and at best its capabilities would only be an approximation of those of an actual SAM-6.

The Israeli capture of the SAM-6 will prove, therefore, to be of enormous value to America's defense posture, both in the development of a SAM-6 prototype and more importantly in the prevention of future American plane losses.

Another sophisticated Russian anti-aircraft weapon captured by the Israelis is the SAM-7. The capture of the SAM-7 has, for the first time, revealed the makeup of the special radar filter which controls this weapon.

Also among the weapons captured by the Israelis were certain radar-operated anti-aircraft guns which play an important role in Soviet anti-aircraft strategy.

Now, because of Israeli assistance and cooperation, the United States can learn to take those steps necessary to successfully counter the effectiveness of all of these deadly weapons—weapons which were designed to shoot down American aircraft.

In addition to anti-aircraft weaponry, the United States now has in its possession the Russian T-62 tank. The T-62 is Russia's most sophisticated tank and it operates with a new 115 mm. smooth bore gun.

The Russians certainly know the value of U.S. possession of these Soviet weapons. They know that over the years Israel has destroyed or captured many billions of dollars in war equipment which could someday have been used against the United States. Perhaps the Russians will someday decide that the military cost of their support for the Arabs is too high.

The first echelon of the Russian military machine is in Egypt. The first echelon of defense against Russian aggression is Israel. Because of the superior quality of Israel's military manpower, they have traditionally needed to match the Soviet-made Arab ground equipment only on a one-to-three basis—one American-made Israeli tank is a match for three Russian-made Arab tanks. And one Israeli Phantom jet is equal to five Egyptian or Syrian Migs. When it comes to countering the power of Soviet weaponry, this is the best such bargain the free world will ever have.

Israel pays the United States back for its military assistance in many concrete ways. One of the most important ways is the direct military assistance Israel gives to the United States by both destroying and capturing Soviet military equipment.

#### NATIONAL PRIORITIES AND AID TO ISRAEL

I have spoken before about the need to reorder our national priorities, to reduce military spending and to improve the quality of life in America. My belief in the necessity of a reordering of prior-

ities stems from a review of every facet of Federal spending.

I have weighed the level and type of military spending against the social needs of this country and I continue to find that imbalances remain.

In the past I have specified three areas of defense spending where our level of expenditures can no longer be justified in the face of our national needs: First, the stationing of large numbers of American troops abroad; second, the proposed acquisition of certain major new weapons systems which would add little to our overall defense; and, third, the size of the civilian bureaucracy supporting the military. I continue to believe that reductions can and must be made in each of these areas to bring about a more equitable allocation of our Nation's resources to meet our country's total needs and requirements.

My belief in reducing military spending in these three specific areas can in no way be taken as a blanket attack on our military and on the need for a strong national defense.

Our first priority is and should always be the interest and welfare of the United States. It just happens that, to use the worn-out phrase, "at this point in time," it is vital to our national defense to block with aid to Israel the attempts by the Soviet Union to achieve total domination over the oil-rich and strategically located Middle East.

#### IN CONCLUSION

Much of Israel's military losses were incurred when Israel held its forces back from launching a preemptive first strike in order to maintain American support and good will.

Recent reports now indicate that the Soviet Union has completely replaced Arab equipment losses and that Israel is again facing a fully equipped Arab force.

Pressures are mounting on Israel to pull back from captured territories without any firm evidence that the Arabs are yet willing to recognize Israel's right to exist. Without such evidence, Israel must have boundaries which help to protect it from future attack.

Only when the Arabs publicly agree to recognize the right of Israel to exist and to renounce future war, will Israel be able to withdraw in safety from territories occupied in recent fighting.

Lastly, let us recognize that our involvement in support of Israel is fundamentally different from our involvement in Vietnam. Vietnam will survive regardless of the outcome of the fighting in Southeast Asia. If Israel loses a war, it would be the end of the Israeli nation.

Mr. Chairman, for the many reasons I have mentioned here today, it is vital that we approve this measure to provide emergency security assistance to the State of Israel. In light of our responsibility to ourselves, our Nation and all free men throughout the world, we can do no less.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 11088, the supplement-

tal aid bill for Israel introduced at the administration's request. I support this bill because I believe it is important at this time for the United States to maintain Israel's deterrent strength and to replace equipment destroyed and damaged during the October Middle East war.

The United States must take seriously its support of Israel's integrity at a time when Israel is suffering from the shocks of the recent war and from the extreme and increasing isolation it faces in the world community.

I support this legislation, however, with several reservations about its precise purpose, magnitude and the impact it may be conveying about U.S. policy in the Middle East. With the strong support for this bill in the House, I am sure many of my colleagues will state the cogent reasons for passage of the bill. It may also be appropriate for me to state several reservations that several of us feel about it, even as we vote for it.

#### POOR JUSTIFICATION OF REQUEST

My major problem with this bill is the gap between a \$2.2 billion request and the administration's justification of that large figure.

Consider the following facts which the administration witnesses gave the House Foreign Affairs Committee in testimony:

First, the military balance which existed on October 5, before the war, has already been restored by our resupply effort, which cost about \$1 billion.

Second, the additional \$1.2 billion above the already committed \$1 billion was justified on political grounds for "imponderables."

Third, although the tonnage of our resupply effort to Israel and the tonnage of the Soviet resupply effort in Iraq, Syria and Egypt are roughly equal, the heavy equipment losses in the recent war, that is, planes and tanks, were roughly four to one in Israel's favor.

#### POLITICAL INTANGIBLES

In my view the administration, for one reason or another, offered insufficient evidence to our committee for the need of \$1.2 billion over and above the \$1 billion to pay for the war's immediate effect on Israel's armed strength.

When justification for the additional \$1.2 billion could not be made on military grounds alone, testimony was given that having made a \$2.2 billion request, it would be detrimental politically to the United States to cut the figure. The administration seemed to be saying that a lesser appropriation, say \$1.7 billion, instead of \$2.2 billion, would indicate to Israel a lessening of our commitment to it or that such an appropriation might cause havoc if the United States had to request another special appropriation during peace talks which will hopefully start December 18, in Geneva.

I disagree that a reduction in an unjustified appropriation request will show wavering support of Israel. Neither do I think that just because the administration requested \$2.2 billion for arms for Israel at the height of the war, when the duration and intensity of the war could not be gaged, that the Congress, much later and with the fighting stopped and a peace conference beginning, should

feel compelled to support the administration's request.

I likewise disagree that another appropriation for military equipment next year could adversely affect peace negotiations because if there is another special aid request, it will be because peace talks have failed and hostilities have resumed.

As the Near East and South Asia Subcommittee has noted before, our aid to Israel should not be fitful and erratic. Our aid should not be based on what Arabs might think of it, but rather on our assessment of Israel's needs.

The \$2.2 billion request is so large, so poorly justified, so militantly defended by some that it frankly makes it very difficult to vote for the request even if Members, like myself, want to support Israel and assure its deterrent strength. The administration and Israel's strongest supporters should try to appreciate that most Members of Congress are committed to and want to support the reasonable defense needs of Israel, but that performances like those surrounding this request may polarize positions and produce undesirable and undeserving opposition.

#### PESSIMISM

A second reservation I have with this legislation is the pessimism it conveys. The \$2.2 billion request presumably represents a paring down of an initial Israeli shopping list of about \$3.2 billion. This list was prepared in mid-October at the height of the fighting.

Imponderables did then exist. How long would the fighting last? How much would the Soviet Union continue to resupply? How much further could the Egyptians advance? How extensive are Israel's losses?

In this context, a \$2.2 billion request had merit. It told the Soviets that we mean business if its resupply effort continues to be large. It told the Arabs we remain prepared to support Israel with arms if aggressed against. It told Israel, at a time of hardship and trial, of our commitment to its integrity.

But the request's pessimism, its military emphasis, its size, were based on the assumption that hostilities might continue, indefinitely, that this was no 6-day war.

Our officials, indeed all Americans, now seek to view Middle East efforts more optimistically. The Congress should do the same. Secretary of State Kissinger and President Nixon talk of the best chance for peace in 25 years. Their cautious optimism that peace talks can start, that parties can disengage, that the United States and the Soviet Union, despite many differences, can agree on the broad outlines of reducing tensions in the Middle East—these factors are part of a different political environment than the \$2.2 billion request might suggest.

#### TOTAL IMPACT OF WHAT CONGRESS IS DOING

Finally, Mr. Chairman, I am quite worried about the total message Congress is signaling these days. It is true that the United States has probably already seen the full damage this bill will cause in our relations with the Arab world;



namely, the Arab oil embargo imposed only a few days after the \$2.2 billion request was made, and, according to Arab spokesmen, triggered by it. But this action, coupled with other recent actions Congress is considering these days, raises questions about whether we are taking the steps we should to create a climate conducive to successful peace negotiations.

Nor do these actions show a clear understanding that we have definite interests on both sides of the Middle East conflict, that we want to play a useful and important mediating role in helping get negotiations between the parties on track and that we want to work with the Soviet Union in reducing arms and the levels of tensions throughout the region.

Only last Tuesday, we approved the conference report on S. 1443, Foreign Assistance Act of 1973 which contained an earmarking of \$300 million in foreign military credit sales for Israel, and a \$50 million security supporting assistance item, again earmarked for Israel.

This week we will approve a foreign assistance appropriation bill of close to \$5.3 billion, over \$2.55 billion of which is for Israel—including the special emergency appropriation bill of \$2.2 billion and the earmarked foreign assistance items—and roughly \$130 million is for the Arab world. And this week we will consider the trade bill, where efforts to deny MFN status and certain credits to countries which prohibit free emigration have the overwhelming support of this body. These efforts naturally have the strong support of all Israelis, and many others, as well, who want all Soviet Jews to have the right of free emigration.

#### IMPORTANCE OF PEACE

Mr. Chairman, the United States has the best opportunity for peace in the Middle East in many years. The recent history of the Middle East can be written in terms of missed opportunities for peace. We do not want to miss again. This Congress, I know, does not want to take any action which will exacerbate the situation. I sincerely hope the actions we are now taking will not send any wrong signals to any party in the Middle East or in the Soviet Union.

Moving toward peace in the region will involve the implementation of U.N. Resolution 338, firming up the cease-fires, and later of U.N. Resolution 242, which sets out the only agreed-upon broad outlines of a peace settlement. While the language of both resolutions is vague and ambiguous, their acceptance as documents by Israel and the Arab States remains clear and unequivocal. We should support their implementation. And an expression of such support now would serve as an important signal to the parties that we want peace. I am not convinced that other actions taken or to be taken by this body give a similar signal.

We have heard a great deal recently about the deplorable Arab oil embargo of the United States; certainly, the quick removal of that boycott should be a prime diplomatic objective now. U.S. relations against Arab oil States, through eco-

nomic or military means, will likely not work because practically no nation will support us. Our only sure way to restore our access to Persian Gulf oil will be to demonstrate our commitment to peace with evidence that we are moving toward a just and lasting settlement of a problem that has caused untold human misery for so long.

Mr. Chairman, helping bring peace to the Middle East is the only policy we can pursue now that will guarantee both Israel's integrity and our access to oil. The price for not moving forward is an ugly equation of Israel or oil—a non-starter of incomparables. H.R. 11088, in the absence of a strong commitment to a just and lasting peace, serves only a small part of our Middle East policy. I hope we in the Congress realize that fact and put this legislation in its important broader context of what we should be doing, and I think are trying to do, in the Middle East.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, this bill has two objectives: It will allow Israel to negotiate from strength and stability and, second, it will be a signal to Russia and to the world that the United States will abide by its commitments to protect Israel from its enemies.

It is overwhelmingly significant that in the years 1946 to 1972, according to the AID, the United States gave \$55 billion for military assistance to all the nations of the earth, and not a single dollar of that went to Israel.

Because of the disastrous military losses on two fronts in the 3-week war, Israel has estimated its needs at some \$3 billion.

Since 1970 the Soviet Union has engaged in the Middle East in one of the largest military buildups in the entire history of Russia. This bill is designed to make Israel militarily invulnerable. This grant, Mr. Chairman, is intended to make the Day of Atonement war in 1973 the war that will end war forever in the Middle East.

I urge an "aye" vote.

Mr. MAILLIARD. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I take this time to pose a question to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania (Mr. MORGAN).

As the gentleman knows, during the past several months the administration has impounded approximately \$12 to \$15 billion in funds which have been authorized and appropriated for various health, education, manpower training, housing and environmental programs. This was done ostensibly to combat inflation. Many of the Members of this body are concerned that if we increase total authorizations and appropriations by \$2.2 billion there will be further impounding of domestic programs by the administration to keep total spending levels the same as before enactment of those authorizations and appropriations.

I wonder if the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania (Mr. MORGAN) has received any assurances from the Office of Management and Budget that passage of this legislation and the subsequent appropriations bill will not involve any further impounding of funds for domestic programs?

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

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

Mr. MORGAN. Mr. Chairman, I remember very well that the gentleman from Ohio (Mr. WHALEN) was disturbed about this during the hearings, and he asked the Deputy Secretary of State, Kenneth Rush, the very question, and Mr. Rush answered the gentleman. But I requested a further statement from the Office of Management and Budget, and it appears in the hearings on page 29:

The Office of Management and Budget has advised us that the entire \$2.4 billion requested in this legislation can be fitted into the President's fiscal year 1974 budget ceiling. OMB estimates that the net cost to the U.S. Government of this \$2.4 billion authorization in fiscal year 1974 will be approximately \$600 million.

OMB has advised us that this legislation will not—I want to emphasize—will not force the executive branch to reduce or impound any funds previously requested under other Federal programs.

Mr. WHALEN. I thank the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAILLIARD. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, trying to make an objective appraisal of the Middle East situation and our policies there is the most frustrating situation I have encountered since coming to Washington. Emotions run so high among Americans that communication on the subject is impossible for some. If it is that way with us, it is no wonder the Arabs and the Jews cannot communicate with one another. Before commenting on the bill that is pending, I must state that I recognize the right of Israel to be an independent nation and that the United States, through several administrations, commencing with Harry Truman and coming down to the present Nixon administration, have indicated their "commitment" to the State of Israel. It must also be pointed out that the extent of the so-called commitment has never been spelled out.

I do not object to the recognition of the fact that we have unique ties with Israel. I do object to the inflammatory rhetoric, the open-ended flexible policy which leaves to a President, either this one or one in the future, the sole determination of whether or not we shall go to war in Israel. If it is my belief that whatever U.S. policy should be made clear to the world. If troops ever are to be sent, in my opinion, they must only be sent pursuant to congressional approval. And if that is required in ad-

vance, then the treaty making process should be gone through. We must not allow ourselves to be brought into a shooting war through a step-by-step miscalculation which we seem so prone to do.

Now to an analysis of H.R. 11088. There is so much obfuscation on the part of the administration with respect to the situation in the Mideast that one finds it difficult to even comment. The positions which the administration takes are conflicting, inconsistent, and misleading. It is impossible to tell what our policy really is, and it is impossible to predict what our future course of action will be. This leaves us in exactly the kind of position of which I am the most afraid—that is, with unlimited authority in the executive branch to involve us, or not, at its discretion.

Let me give you just a few examples of the infuriating cloud of nonfacts with which we are supposed to deal and to make critical decisions with.

It is clear that the United States delivered approximately \$1 billion worth of material from our Defense Department inventories to Israel since October 6, 1973, the date the war started. This equipment was delivered under the Foreign Military Sales Act, which requires payment within 120 days after delivery. But it is also clear from the statements of William B. Clements, Deputy Secretary of Defense, that it is the judgment of the Defense Department that they cannot pay us in 120 days. That is the reason for the bill, H.R. 11088, which will leave to the President whether or not the funds authorized will be used to provide grants or credits. The weapons have been delivered, and more shall be delivered, pursuant to an act which requires that they be sales, but our evaluation of the Israeli economy is that they cannot afford to make the payments now. They may never be able to afford to make the payments, and therefore, Congress is being asked to provide authority to retroactively make the deliveries in the form of grants if necessary.

Now this is done because the Defense Department must be repaid for delivery so that it can replenish its inventory, which has been depleted. But it is going to cost more than the \$1 billion to replenish the inventory since we are replacing old equipment with new equipment. Mr. Clements refused to give an exact amount, but used the figure of \$250 million between what the equipment cost to Israel versus what it is going to cost us to put it back in our defense inventory.

Let me summarize to this point. Israel asked for a total of \$3 billion. The administration comes to the Congress for \$2.2 billion—\$1 billion of which has already been delivered, pursuant to an act which requires cash payment within 120 days, which the Defense Department acknowledges is a burden on the Israeli Government which it cannot in all probability meet. We do not know what the ultimate cost will be, and we do not know what the ultimate requirement will be.

We say we are doing this to maintain the balance of military power in the area, but the net assessments of the losses are

not finished, and we do not know exactly how much we need to send in. We say we want to maintain a balance which will prevent the Soviet Union from moving into the area, but by adopting a policy of unlimited resupply of Israel, are we not driving the Arab States into the Soviet Bloc? As Mr. ZABLOCKI said at the hearings,

My concern is that the presentation today does not really give us the necessary substantive information with which we can intelligently consider the proposal and report the bill to the Floor of the House and defend the request.

Mr. Rush said at the hearings that we cannot allow the Soviet Union to take over the Middle East by our refusing to assist Israel to have a balance of military power with those countries supplied by the Soviet Union. But by continuing to supply Israel without limit, we force the other countries to turn to the Soviet Union and once again, our policy results in accomplishing exactly the opposite of what we say we want to do.

Israel's per capita debt is probably the highest in the world. Their economy is such that they cannot sustain a protracted war. Are we doing them any favors when we provide them with enough arms to continue to hold the ground obtained during the 1967 war, which was the direct cause of this latest war? At the time of the hearings, we did not know the capability of the Egyptian and Syrian armies after the Russian resupply. We specifically did not know whether it was equal to or beyond the capabilities of October 6, 1973 when the war commenced. But nevertheless, we are asked to give the President a blank check with which to do as he pleases. Why are we not given the information so that we can make the decision?

We know that for every ton of material delivered to Israel, it costs us 3½ tons of fuel. That means that if we have delivered approximately 100,000 tons of material to Israel, it has cost us 350,000 tons of fuel. How much fuel will be burned under the authority granted to the President by this act? We do not know.

Congressman FINDLEY stated at the hearings,

I would like to know how much energy approximately was required to manufacture what was supplied, how much will be required to manufacture and deliver the items that are contemplated in this authorization. This is a \$2 billion bill and there surely are some yardsticks that can be used to determine what the price tag is so that we will go into this with our eyes open and be able to answer questions on the Floor.

The information was furnished but it was classified so it is not available to the public.

The Office of Management and Budget has repeatedly said this year that any additional expenditure beyond the President's original budget request in January would result in busting the budget. In response to a question from Congressman WHALEN, we got this response.

OMB has also advised us that this legislation will not force the Executive Branch to reduce or impound any funds previously requested for other Federal programs.

Why not, when every other request is regarded as a budget buster?

In response to a question about the potential of whether or not our troops will be involved, the answer was deferred to executive session and so there is no assurance on the record that American troops will not be involved. We do know that American troops were placed on the alert during the latest crisis and this just 2 or 3 days after assurances that they would not be sent into the Mideast.

Mr. Chairman, once again I want to reiterate that the rhetoric being used to justify this is totally irresponsible and dangerous. Let us define our commitment to Israel in terms which the whole world will know and recognize. If it is the decision of the Congress to send in troops, let it be known in advance exactly what the conditions are that will result in American troops being sent in. If we are to give unlimited supplies of aid to Israel to help them in the fight against our friends, the Arabs, let us let that be known also. If there to be any strings attached to the aid we give to Israel, let that be known.

I do not believe any one person has a solution or an answer to this problem. Obviously, there are inequities on both sides. The Palestinians must be pacified, if possible. Jerusalem must be made an open city so that all can go and worship, and Israel must be recognized as a nation which has a right to have secure boundaries and which is not facing extermination. The Arab nations have come a long way in acknowledging the latter fact.

Mr. Chairman, we will make a grave mistake if we continue to alienate the Arabs and drive them into the Soviet bloc and continue to provide aid to Israel under terms which inevitably can lead us to a commitment of our forces. I am willing to abide by the collective wisdom of Congress if a true debate is held after serious consideration is given by the Membership of the Congress. Even a cursory examination of the hearings will show that the Foreign Affairs Committee did not give adequate attention to this legislation. There were limited numbers of witnesses and they all urged the administration position—the blank check, options open, flexible negotiation, attitude which has cost us so dearly in the recent past in Southeast Asia.

Mr. Chairman, I am begging the Members of this Congress to act on their own rather than follow blindly the path to potential catastrophe.

Mr. MAILLIARD. Mr. Chairman, I have no further requests for time. I reserve the balance of my time.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I take this time because I had the privilege a couple of weeks ago of being the chairman of a 22-member Special Subcommittee of the Committee on Armed Services that visited both the Israeli and the Egyptian sides of this war, and is now in the process of filing a report on our findings, both a classified one and a non-classified one.

We came back with the primary impression, I think, that there is a real opportunity for peace in the Middle East, after talking with both Prime Minister



Meir and President Sadat. We concurred with Secretary of State Kissinger that the opportunities for a genuine settlement in the Middle East are better today than they have been at any time in the past 20 years.

Some people had raised the question as to whether this legislation, if they support it, is going to upset that peace agreement. I do not think it is, for a very plain and simple reason. First of all, people have said this bill would be a war-supply bill. But let me point out, half of the \$2.2 billion has already been supplied to Israel. This measure is primarily designed just to pay for the weapons that were furnished to them at a very critical time in the fighting.

Secondly, as has already been said, this bill will make peace more possible simply because it is designed to reestablish a military balance between the competing forces in the Middle East.

The reason we have a détente today—whether the Members like it or not—with the Soviet Union is that we have previously reached a military and a nuclear kind of stalemate with them, and we have to maintain that stalemate if we are also going to maintain the détente. The same is true in the Middle East; and we have got to make sure that the supplies we send match the supplies that have already gone to the other side. When we achieve a real balance, those supplies will not need to be used; they will instead deter a new conflict, we hope.

Finally, we have to remember, as has also been said earlier during this debate, that to get a peace settlement, there is going to have to be some territorial adjustment on the part of Israel. There are going to have to be territorial concessions. And surely if as a result of such a settlement some of the "buffer zone" is going to be taken away from Israel, do not we have to be even more concerned that she has enough of the weapons needed to deter attack or defend herself if such an attack should come?

I believe this bill will be a positive contribution to a just and lasting peace in the Middle East, and I believe it deserves to be adopted on that account.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. WOLFF. Mr. Chairman, I rise to reiterate my support for the \$2.2 billion in emergency assistance to Israel. As a member of the Foreign Affairs Committee, I have heard a wealth of testimony, particularly from our own State Department officials, which confirms my conviction that this support for Israel is essential in terms of our own security as a nation. Deputy Secretary of State Kenneth Rush told us that the \$2.2 billion is critically needed "to counterbalance the heavy flow of sophisticated Soviet weapons to the Arab world." Captured documents brought to our attention not only confirm the massive influx of Soviet assistance, but indicate that the Soviets actually mapped out the Arab offensive, supplying the fire plans, the plans for crossing the canal and those for determining which fields would be mined. It

is known that the Soviets began their assault on the Arabs the day before the war started—further indication of Russia's involvement in the Arab offensive.

The Soviet Union has encouraged other Arab nations to support the Egyptian-Syrian aggression and has served to aggravate hostilities in the Middle East since the 1950's. It is known that since early 1971, the Soviets have directed the Egyptian and Syrian armies and air force, have trained Arab pilots and officers and have provided the sophisticated technology and material necessary to advance Arab military strategy. It is estimated that the Soviet Union has 1,000 military and other technicians in Egypt and 2,000 so-called technicians in Syria.

In short, quoting from the official Egyptian daily, *Al-Ahram*, "The Soviet Union has proved until the last moment that she is a loyal friend—to the Arab world"; the question we must ask ourselves today is what does this loyalty and commitment on the part of the Soviet Union mean, not so much in terms of the security of Israel, for the answer to that is obvious, but rather, in terms of our own national security.

Every move made by the Soviet Union to date in the Middle East corroborates evidence that the Soviets strongly desire to be a controlling influence in this strategically important area of the world. Russia wants control over the Suez Canal and to allow Soviet naval might to be expressed in the Indian Ocean. This would upset the balance in the subcontinent and place the Soviets in a position to bully the subcontinent nations into agreement with Soviet policy. It would turn the Mediterranean Sea and the Persian Gulf into Russian lakes wherein U.S. influence and security would be seriously undermined. Admiral Moorer in a meeting with the Foreign Affairs Committee made this point. In the early 1950's, the U.N. Security Council passed a resolution declaring Israel's right to free passage in the Suez Canal. The resolution was ignored by Egypt with Soviet support. Similarly, Egypt ignored the understanding negotiated by Secretary General Dag Hammarskjöld that Israel would have free access to the Straits of Tiran, as a condition upon Israel's withdrawal from Sharm El-Sheikh in 1957. In 1967, President Nassar, again with Soviet backing, proclaimed a blockade of the straits, one of the factors which led to the outbreak of hostilities in 1967. The recently passed U.N. Resolution 242 again affirms Israel's right to free passage through international waterways; and the resolution has been virtually ignored by the Soviet-Arab alliance.

Russia also seeks to use the Middle East as a steppingstone to achieve domination over Africa with its vast supply of critically needed natural resources. Most important, the Soviets would like to gain further control over Arab oil policy. If Russia's hand were on the oil spigot, according to Secretary Sisco, "such control would serve to restructure the carefully established balance of power in the world" and leave the United States and its European allies in a measurably disadvantaged strategic position. Such a situation could also lead, as a matter of

course, to a breakdown of the Atlantic Alliance which, for the last three decades, has been the key to the security of the free world. We have already begun to see the beginnings of such a breakdown in the face of the Soviet-influenced Arab oil boycott.

If the Soviet Union were truly interested in détente with the United States, they would be exercising their influence to join, rather than impede, efforts to calm the situation in the Middle East. Instead, they have been fomenting instability and using the Arab States as a testing ground for their most advanced military weapons, providing to Egypt and Syria weaponry not available to their most trusted satellites of Poland and Czechoslovakia.

If the Soviets were interested in peace, they would be seeking to foster negotiations that would lead to a durable peace in the Middle East. Instead, we note their callous attitude toward UN resolution 242, the stated goal of which is the establishment of a just and lasting peace in which every state in the area can live in security. The resolution, which Israel has agreed to, as have all nations in the UN, calls upon Israel to relinquish certain territories but recognizes the importance of "secure and recognized boundaries" for Israel's survival. The Soviet Union has tried repeatedly to pressure Israel into relinquishing all territories, a demand which both the UN Security Council and the General Assembly have rejected as asking the impossible.

We might also note the double standard inherent in the Soviet demands upon Israel. They call upon Israel to relinquish all territories because the Soviets supposedly support the principle that the acquisition of territory by war is inadmissible. Yet, the Soviet Union, I must remind, holds a substantial amount of territory acquired in recent times by war from Poland, Finland, Rumania, Japan, and other states.

In 1967, the UN attempted to avert a conflict in the Middle East after Nassar, with Soviet support, moved substantial Egyptian forces into the Sinai, reoccupied the strategic and previously demilitarized Sharm El-Sheikh and blockaded the Straits of Tiran. The UN attempt failed because of the Soviet Union, which seemingly would rather embrace war than risk losing any of its growing influence in the Middle East. When war did break out on June 5, 1967, the Soviet Union again blocked attempts by the UN to permit a cease-fire on the first day of war. Instead, the Soviets tried repeatedly to get through a resolution proclaiming Israel as the aggressor in that war. Each time they failed.

If the Soviets were interested in expanding relations with the United States, if they were truly committed to the avowed détente, they would not now be encouraging the Arab oil producing states in hostile, improper acts of blackmail against the United States. If we succumb to Soviet pressure tactics in this instance, if we renege on or weaken our support for Israel, we ultimately place our own national security in serious jeopardy. We also leave ourselves vulnerable to hostile tactics that can be used by any other nation which has the ability to

withhold from us essential materials, and the repeated use of illegal pressure tactics by the Soviet-Arab alliance.

Now that we have ascertained the extent and intensity of Soviet involvement in the Middle East, the question may arise as to whether the full \$2.2 billion is necessary to insure Israel's security and defense against the powerful Soviet-Arab bloc, and thus insure our own security against further Soviet expansion in and control over the Middle East. In September 1973, our State Department's Bureau of Intelligence and Research brought to our attention the extent, in dollar figures, of Soviet assistance to the Arab world. During an 8-year period, between 1964 and 1972, Egypt and Syria received in excess of \$6 billion from the Soviet-Communist alliance. From June 1967 to October 5, 1973, the Soviets supplied the Arabs with 3,900 tanks, including 1,000 tanks just 1 month prior to the outbreak of the current conflict. In the midst of the war, between October 16 and November 8, the Soviets supplied an additional 1,500 tanks. They have replaced all Egyptian and Syrian losses which includes over 1,000 tanks in this resupply count. By contrast, the U.S. has supplied Israel with 200 to 250 tanks. In addition, the major portion of the \$1 billion already sent to Israel was for so-called "expendable" items—ammunition that has already been exhausted. In fact, it has been said that during the heavy fighting, ammunition received by Israel in the morning would be completely used up later that same evening.

The \$2.2 billion we are considering today is desperately needed, not only for replacing the expendable items like ammunition, but for essential heavy equipment like tanks which were extensively used. We have been told in the past that war in the Middle East could change the concept of modern day warfare, that ground weaponry like tanks would no longer be useful. Yet, strangely enough, ground weapons, tanks and the like, proved the deciding factor in the current conflict. As an example, back in 1970, the Soviets emplaced the most advanced type of missilery beside the Suez Canal—a fact which, by the way, it took our intelligence at that time a very long 10 days to recognize. As a result of the emplacement of these missiles, the Israeli Air Force was neutralized and crossing of the Canal by the Egyptians was rendered possible. The Israelis have successfully employed two methods for knocking out these missiles: one, by Kamikaze-type air attacks and two, the method which was found to be the most effective against ground to air missiles, attack by ground weapons; namely, tanks.

The State Department's intelligence report on the financial resources available to the Arab world ended on the note:

The figures in the magnitude of billions available to the Arabs indicate how slight in comparison are the millions of dollars . . . to aid in Israel's development.

Along with the administration, I again stress the importance of the \$2.2 billion as security and defense against the concerted build-up of power by the Soviet Union in this strategically vital area of the world, a build-up which I have at-

tempted to outline above only in its smallest dimensions.

Our policy in the Middle East has wisely recognized the importance of Israel's security in relation to our own ultimate national security. The \$2.2 billion we are considering today is in keeping with that policy of maintaining the "balance" that has existed in the Middle East. I urge my colleagues to support the Emergency Security Assistance Act in the interests of the security of the United States.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. Nix).

Mr. NIX. Mr. Chairman, I rise in support of H.R. 11088, providing emergency security assistance to Israel. I believe that passage of this bill is essential to the continuation of U.S. policy that Israel be guaranteed sufficient weapons to defend itself from attack by its Arab neighbors.

The Middle East situation continues to be fraught with danger—danger to Israel, to the United States and to the cause of world peace. Recently the situation has become even more complicated. The Soviet Union has been playing a reckless game in the Middle East, using the lives of Arab soldiers as pawns in its bid for expansion and aggrandizement. And following the Yom Kippur war the Arab "oil weapon" has been used successfully to bludgeon many of the industrialized nations of the world into supporting their position.

In the midst of this difficult situation, it would be well to remind ourselves of the basic facts. The State of Israel, a young democracy of 3 million people, has been in a virtual state of siege for a quarter of a century by Arab nations who have vowed its destruction. The Israelis have demonstrated their determination and their ability to defend themselves, but they can only do so if the United States continues to supply them with the arms they need. No amount of courage, by itself, can withstand the huge arsenal of sophisticated and deadly weapons supplied by the Soviet Union to the Arab States.

All of us are hopeful that the current effort to hold meaningful peace talks in the Middle East will succeed. Indeed, a negotiated settlement is essential if a genuine and lasting peace is to be achieved. But we must remember that genuine negotiations are possible only if Israel remains strong enough to repel armed attack. Achievement of a permanent peace settlement will be a long and difficult process. For our part, the United States must continue to help the Israelis to maintain the military security that is an absolute prerequisite to the success of that process. We must not allow ourselves to be bullied, blackmailed or seduced into abandoning the security of Israel to the goodwill of whatever Arab politicians are currently in power.

Israel was founded by a people who have suffered greater cruelty and misfortune through world history than perhaps any other people. They have created in Israel a democratic and free society. They seek only what any nation seeks—the right to national existence, to live in peace and security, and to have nor-

mal relations with their neighbors. I have consistently supported the long struggle of Israel to maintain itself as a free nation, and I shall continue to do so. I look forward to the day when all the nations of the Middle East will live together in peace and harmony. Until that happy day arrives, we must continue to do what is necessary to enable the Israelis to defend themselves.

Mr. MORGAN. Mr. Chairman, I yield to the gentleman from New York (Mr. BRASCO) such time as he may consume.

Mr. BRASCO. Mr. Chairman, I rise in support of H.R. 11088. In recent weeks a school of thought has emerged in the United States which seeks to abrogate or water down America's commitment to Israel. They would have America act toward that little democracy as France and Britain behaved toward Czechoslovakia in the late 1930's. If these elements in American life succeed, we will be doing the same kind of harm to ourselves now as those other two nations did to themselves 35 years ago.

Above and beyond moral obligations and longstanding policies, we have a strategic requirement demanding American resupply and rearming of Israel as swiftly and generously as possible.

H.R. 11088 presently before the House provides emergency security assistance authorizations for Israel. The amount sought is \$2.2 billion in either emergency military assistance or foreign military sales credits. I endorse this measure wholeheartedly and urgently, fervently hoping the overwhelming majority of Members of Congress will feel and act similarly.

From the first moments of her existence as a free nation, Israel has been under military assault, or has had that threat hovering over her entire span of national life. To the credit of her people, this has not led to a garrison state mentality. Instead, Israel's devotion to democratic principles and individual rights has thrived and grown despite an understandable temptation to erode such a commitment. How many nations, including those sworn to destroy her and their allies, can make such a claim?

For this very underlying reason, Israel has been in tune with American ideals, and has grown stronger because of our own commitment. Her people fight because of a desire to be free, rather than on behalf of a desire to conquer and subject others.

As a result, she poses a danger to totalitarian regimes and their client states everywhere. The "third world," torn by strife and evolving before our eyes, can see in Israel a choice between dictatorship and socialist-oriented democracy. The Arab States, unwilling to tolerate a free Israel in their midst, have found a willing patron in Russia, which has other goals in mind in that vital area of the world. Here is where America's geopolitical necessity comes into play. If we ignore or misinterpret Israel's role and goals, we will injure our own best interests by shortchanging the Israelis in a time of crisis.



The Communist rulers of Russia are inheritors of foreign policies of the Romanoff czars. Among goals they have in common down through history has been a desire to obtain warm water ports and to dominate narrow strategic gateways controlling so much of the world's commerce.

Control of such narrow straits and geopolitical linchpins brings with it military dominance as well. The Dardanelles, Suez Canal, Straits of Gibraltar, Bab-el-Mandeb, and the Straits of Tiran are perfect examples of such locations.

Much of the Middle East embroglio revolves around who shall control a short passage to Asia from the Mediterranean. Russia is now a first rate naval power, seeking to use her sea arm to extend her reach around the world. In order to be militarily effective, that growing fleet must be able to move to critical areas swiftly. This means either control of easy access to such strategic geographical linchpins of the world. Russia seeks to be able to move her Black Sea and Mediterranean fleets through the Suez Canal to the Indian Ocean in order to present an overwhelming military presence in and around the entire periphery of the Indian Ocean. This is why Brezhnev was recently in India, again salvaging the Indian economy with more Russian aid.

Soviet Russia's rulers envision, and perhaps correctly so, an eventual and inevitable confrontation with an increasingly powerful China. Already their long mutual land frontier bristles with armaments, front-line troops and the faint odor of physical clashes. Russia seeks to dominate the subcontinent, outflanking Communist China, a situation the Chinese rulers anticipate and view clearly. In this way, the Kremlin's masters believe they will seize China in a crushing military vice from which she cannot escape. This was one reason China welcomed our attempts at rapprochement.

Russia must obtain control of the Suez Canal, or at least have a complaisant and cooperative regime astraddle of that waterway. Egypt, indebted to Moscow for military aid against Israel, fills such a bill amply.

Simultaneously, Russia still seeks eventual world domination. She reminds me of a paroled burglar, proclaiming his conversion and reform, strolling down a hotel corridor turning every door knob to see if any rooms are accessible. While her motives are complex, a present and primary one is control over Middle East oil, to deny or control access to it to the West and to guarantee it for her own eventual use.

If the present Soviet diplomatic and military drive succeeds, we shall be shut out of that entire area of the world. If Israel is rendered impotent in a geopolitical sense, there will be no effective counterweight to Russian influence. Once the Kremlin becomes master of Suez and Middle East oil, the world strategic balance tips decisively against the United States, setting the stage for dramatic Soviet adventurism which will only lead to further, and certainly more dangerous confrontations.

Appeasement of the Arabs and their Soviet patrons would be as useless and

sterile a policy as was a similar attempt in another era.

Have we learned nothing? Has the siren song of "détente"—that pernicious word, so sapped our capacity to reason, that it will allow us to guarantee our own destruction? Do we really believe the Russians have, like Paul on the road to Damascus, had a blinding vision and accompanying change of heart? Nothing could be more of an exercise in self-delusion. The nations betraying Czechoslovakia to Hitler made themselves believe Germany would be satisfied with just that much and no more. We all recall the drama played out in Prague under Alexander Dubcek. How then can we delude ourselves today?

If further proof were required, examine the entrails of the recent Middle East war. Russia knew about the Arab sneak attack well ahead of time. Her resupply effort by sea was keyed to start arriving two nights after the Arabs attacked. The very quality and quantity of materiel supplied should tell us something. Turning aside talk of détente and rapprochement with the West, the Soviet Union plunged all out into the latest Arab attempt to destroy Israel. She even indicated a desire to insert her own military forces into the struggle. Mention has even been made of nuclear weapons being brought from Russia to Egypt. Even if that is untrue, the recklessness of such a total policy is both breathtaking and appalling.

Western Europe, guarded by American military might and inexplicably incapable of learning from the past, has totally capitulated to the Arab boycott. To them, with the exception of the Dutch, all honor to them, oil is more important than principle, morality, compassion and elementary decency. Leading the pack are those two familiar betrayers of the Czechs, France and England. Daladier and Chamberlain would feel right at home with Pompidou and Heath.

These people possess a coterie of sympathizers in this country, echoing their cry that we must support a sellout of the Israelis because they have such a nasty habit of defending themselves against those sworn to destroy them. It is just not done in our crowd, Reggie, old boy.

They bleat on about refugees, ignoring Arab treatment of Jews in Arab lands and cynical exploitation of Palestinians by their brother Arabs. To them, the discredited, one-sided United Nations is the answer. Actually, it is the chosen instrument to deal Israel further blows.

International promises are as worthless as international organizations. Noble in concept they may be, but incapable of execution in time of crisis they also certainly are. Israel needs more tangible means of insuring her survival. And she must survive. Why?

Because she is a counterweight to Russian influence in the entire Middle East. Because she helps create a balance, along with Iran and other non-Communist regimes, to radical, pro-Soviet Arab governments, whose instability is matched only by their propensity for violence. For example, let us reflect upon treatment of Jews in Arab countries, violent anti-Sem-

itism of King Faisal and the incredibly brutal and barbarous butchery of Israel prisoners of war by the Syrians.

Israel is a beacon, an alternative, and refuge for Third World elements seeking a choice. She is a staunch friend of the United States, and a dependable one in an area of the world where stability is at a premium. She is an ace in the game for strategic domination of that crucially important part of the world; a deadly game we must maintain a viable presence in or lose out entirely.

For these as well as humanitarian reasons, we must act favorably regarding the \$2.2 billion. Can there be any doubt of the eventual fate of Israel's people if she ever really lost a war? How many of us would wish to share in the responsibility of the aftermath of such a situation. Does this not occur to Arab apologists here? Evidently not.

Israel must have the full \$2.2 billion in American weapons aid, and she must have it all soon. We have it in our power to grant that urgent request. We must act with dispatch.

In closing, let me return once again to Czechoslovakia and those who betrayed her sovereignty to Adolph Hitler. To this day, that group remains an abomination in the eyes and memories of decent people everywhere and the deed they perpetrated stands as a hallmark for deceit, ignobility, cowardice, and betrayal. It need not have been thus. They had a choice; so do we.

Mr. KASTENMEIER. Mr. Chairman, over the years, like other Americans, I have supported both the creation of the State of Israel and her aspirations for peace and recognition of her right to exist. Clearly, we must all be pleased that real progress is now being made to secure a permanent resolution to the Middle East conflict. However, I do not believe that the legislation currently before the House serves the interests of peace in the Middle East. Rather, in my view, the effect of this legislation is to provide more fuel to fan the flames of war.

The Emergency Security Assistance Act operates on the premise that the only way Israel can know security is by literally building a bristling fortress surrounded by the hostility of the Arab people. We have seen the Arab nations turn to the Soviet Union as the source of their own military security. The Middle East provides testimony to the fact that providing absolute military security for one nation in turn fosters absolute insecurity for its neighbors. The arms race perpetuated by the United States and Russia in the Middle East, including increasingly more sophisticated and devastating weaponry, can only result as the recent war has shown, in continued tensions and, ultimately, in more death and destruction.

Mr. Chairman, Secretary of State Henry Kissinger expressed a hope which I share when he said:

We hope that Israel, as well as the Arab countries, will recognize that one of the clear consequences of the recent events is that a purely military solution to the problems of the Middle East is impossible.

Yet, this legislation recognizes only military needs, and seems to contemplate only military solutions.

I have long felt that the United States ought not to encourage the perpetuation of war, with the accompanying death and destruction, by sending arms and other military assistance to foreign countries, whether it be to Israel, the Arab nations, or Southeast Asia, and my voting record has been consistent on this issue. I cannot, therefore, in good conscience, support this bill.

Mr. Chairman, I firmly believe that it is in the best interest of Israel, the Arab countries, and the United States, for us to devote our major energies to finding a permanent solution to the Middle East problem so that the people in that part of the world will finally be able to live in peace. The founding father of the State of Israel, David Ben-Gurion, made the observation some time ago that—

Real peace with our Arab neighbors—mutual trust and friendship—that is the only true security.

This is the goal all concerned parties must strive for. This is the goal not served by this legislation.

Mr. Chairman, I would like at this point to include with my remarks an article by Arthur Waskow which appeared recently in the *New York Times*. Mr. Waskow has made a compelling argument for finally coming to terms in the Middle East, and I commend his comments to the attention of my colleagues:

[From the *New York Times*, Nov. 24, 1973]

A TIME FOR TERMS IN THE MIDEAST  
(By Arthur Waskow)

WASHINGTON.—It is time for the Israeli Government and the American Jewish establishment to pay attention to some of us Jeremiahs.

Since 1967, a small band of American and Israeli Jews have been warning that the Meir Government was trundling down a road to disaster, endangering Israeli security by seeing that security in the narrowest military terms. We saw the Israelis' arrogance, born out of victory, and the Arabs' hysteria, born from defeat, reinforcing each other; no justice offered from either side, no security won on either side.

Sometimes, full of hope, we preached justice—arguing that Israel and the Palestinians owed each other the fraternal recognition of another oppressed nationality and the political recognition of a self-determining Palestine alongside Israel. Sometimes, full of foreboding, we have warned Arabs that Israel could strike at them still more harshly, and have warned Israel that incompetence, self-glorification and self-deception would not forever dominate the Arab governments; that world-wide popular and diplomatic support for Israel's military outlook were eroding; and that Israel's deepening internal social divisions could only be dealt with if a stable peace were achieved. In both modes, the call for justice and the warning of disaster, we said that Israeli arrogance—expressed in the holding and slow incorporation of Sinai and the West Bank—was wasting time that could be used to secure a stable peace; and that Arab hysteria was preventing evolution within Israel.

Slowly—much too slowly—the Arabs have grown out of their hysteria. (The danger now is that they will fall over into arrogance.) But the Israeli and American Jewish establishments have been even slower to change. When we preached justice, they dismissed us

as soft-minded relics of the old "galut" mentality, self-hating Jews devoid of pride in the new Israeli power. And when we warned of the long-term security "problems" facing Israel, they dismissed us as harebrained analysts who did not understand the power of modern technology and organization to win round after round of war.

In truth, it was the Israeli Government that was harebrained. It thought of the Arabs as tortoises, and would not heed our reminders that the tortoise sometimes wins the race if the hare gets arrogant.

Now, like Jeremiah we can only mourn at how correct we were. Look at the situation now: Arab oil boycotts bearing down on a Western Europe, America, and Japan already frightened by the "energy crisis." American power distracted by an internal agony over national identity and purpose that began in the sixties and is simply continuing in Watergate, and will not end there. Hostility between Western and Russian immigrants and Oriental immigrants to Israel—hostility over housing and public services, and over communal dignity, that cannot be eased so long as 40 per cent of Israel's gross national product is spent on the military. The erosion of non-Jewish support for Israel as the remnant of the holocaust, amid growing doubts of the justice of a permanent occupation of the Palestinian west bank and Gaza and of the Egyptian Sinai. The beginnings of articulate criticism among young American Jews of blind financial and political support for an arthritic Israeli bureaucracy and policy—even as these same young American Jews create stronger and stronger ties to real live people and communities in Israel.

The Meir Government's policy has led Israel into this moment of danger. But it can become a time of opportunity, if Israel will see it as a moment for making the claims of justice and security coincide. At this moment Israel is still militarily superior, though not triumphant; still has strong support from American Jews and the U.S. Government; still faces moderate politics among the west bank Palestinians and weakness in Fatah; still has not descended into a domestic Kulturkampf. From now on, delay will weaken Israel.

That is, delay will weaken Israel unless the Arab governments and particularly the Palestinian nationalist leadership continue to pose unjust demands. If they do, Israel will in desperation coil itself even tighter, tenser, committed to strike first at any danger and to rule the Middle East, regardless of the consequences to freedom and justice.

So this is the moment, maybe the last when both sides can offer decent terms. For example, the Palestinian leadership and the Arab states should recognize Israel within the 1967 pre-war boundaries as a fully legitimate state, and extend to it such normal rights as free access to the Suez Canal; Israel should offer to return to those boundaries on two conditions: the demilitarization under effective international inspection and control, of all the territories Israel occupied from 1967 till the 1973 war; and an Israeli-Palestinian condominium over the old city of Jerusalem. Israel and the Arab states should jointly sponsor and guarantee an independent, neutral, and demilitarized Palestine on the west bank and in Gaza. Israel and the Arab states should agree to accept no military aid or advisers from any of the great powers, and the powers should agree to give them none.

Mr. DELLUMS. Mr. Chairman, we have today a question to decide that I approach with the greatest reluctance. A vote can be a cruel thing: You cannot vote "yes, but" or "no, however." There are only two lists of names, and one of them is "yea" and the other is

"nay." There may be principles and counterprinciples, pressures and counterpressures, and whichever way you turn you may see more unfortunate consequences than fortunate ones, but the time still comes when you have to choose. I have chosen to vote against this legislation—a painful decision but I believe a necessary one.

I am faced with two principles that seem to some people to be in open contradiction. First, I came to Congress utterly committed to peace, and if I am not doing that, I should not be here. As an American and a human being, I want this country to stand for the possibilities of life and freedom, not power and death. I also want Israel to survive, to flourish, and to live in security and peace with its neighbors. This is not in contradiction to the first principle; it is a consequence of it. Israel's only future lays in peace.

The basic fact is, these two principles are in contradiction only if we make them so. Only if we consider that the only way to help Israel and the people within its borders is through more and more weapons, through reliance on force—only if we turn our back on a positive policy of economic assistance for the entire area that would remove the causes of war—only then do we set up an opposition between peace and Israel. Only if we take over the Nixon administration's automatic assumption that the only alternatives are war or abandonment does the willingness to vote for arms become the ultimate test of fidelity to Israel.

But these are not the only choices, and my vote today is a protest against reducing the issue to just those barren and nonproductive terms. I vote today to break the cycle, to move discussion up to a creative strategy that will help the Middle East, not just to a higher level of armed instability, but to a situation where the capacities of all the peoples in the Middle East can be used for something else besides this insane war.

There will be many, I fear, who will interpret this vote as indicating some lack of concern for Israel. This is unfortunate. Nothing is further from the truth. If this were the only act of my congressional career that had to do with Israel, perhaps such an interpretation might be justified. But I know that there are other ways to help Israel other than—ever-increasing grants of military aid—I have worked for them in the past and I will continue to work for them in the future. It is my profound conviction that I am working for them today, by rejecting an illusion that our only duty to Israel is just to send off a shipment of arms so that the Israelis and the Arabs can kill each other more efficiently.

I have studied the actual situation in the Middle East, and I have come to a conclusion that to claim that Israel's survival depends on these arms alone and this vote alone is not fact. There is the same balance of weaponry now as existed before the war. Even if the current level were not enough, I feel assured that the Defense Department and the President would find a way to get Israel



more weapons—with or without congressional authorization.

If I was ever convinced that Israel's survival depended on an immediate shipment of arms, or upon a single vote, I would fight for it strongly. I do think that Israel's long-term survival does depend on vigorous economic assistance, coupled with a realistic diplomatic strategy that will lay the groundwork for lasting security and lasting peace.

Because of my belief in the importance of our responsibilities in this area, I intend to visit both Israel and the Arab countries next month, to learn as much as I can firsthand about the situation. I hope to come up with some suggestions that will substantiate my profound conviction that there exists creative solutions to the Middle East dilemma that can break the deadlock of security through mutual terror, instead of tightening it.

What is really needed in the Middle East now is significant economic assistance for the entire area, coupled with international guarantees for the preservation of Israel and a multinational commitment to end the suffering of the Palestinian refugees. This is the opportunity we now have to remove the causes of war.

The Nation and the Congress must reject the political manipulation of international crises that the Nixon administration too often substitutes for foreign policy.

This is a time for long-term realities, a time to step back from the pressures of the moment to consider the consequences of our acts, not just in terms of our own debate and rhetoric, but out in the real world of blood and suffering. When I consider those consequences with the greatest seriousness I have within me, I cannot regret this vote today.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise to express support for H.R. 11088. Prompt, equitable compromise of Israel/Arab differences is absolutely imperative if peace is to be achieved in the Middle East. This conflict, producing four wars in 25 years, has created a danger of nuclear war, separated America from her NATO allies, and brought about a worldwide energy shortage. Even though Russia has resupplied Egypt and Syria with war materials destroyed in fighting last October, there now exists the best opportunity in 25 years for a negotiated peace.

This peace is in the highest U.S. interest. The oil crisis which followed the October war shows the disturbing effect that war there has on the rest of the world and the importance of the peace negotiations which soon begin.

Maintaining a military balance between Israel and her Arab neighbors is essential to providing a proper setting for successful peace negotiations. Neither party should be put into a position of negotiating from weakness. An imbalance of power will tempt the stronger party to rely on force, not reason, at the negotiating table. A settlement not based on fairness and reason will likely not be permanent.

Mr. BAUMAN. Mr. Chairman, I rise in support of H.R. 11088, an emergency

authorization for assistance to Israel. While there is little doubt in my mind or in the minds of most of the Members that this authorization is justified, there are several implications of approving a sum so large which we must not ignore.

Throughout its history, Israel has had one principal ally—one nation that has come to her assistance whenever it was necessary. During the most recent Arab-Israeli war, the United States once again stood alone as the only nation willing to stand behind the state of Israel and her right to exist. Few of us take exception to this policy, a policy which I believe to be sound, both morally and politically, particularly in view of the continued Russian intervention in the Middle East. This authorization, of some \$2.2 billion, is unusually large, but it is necessary. The vast amount of resupply which we carried out during the war was costly indeed, and Israel, with the highest per capita debt of any nation in the world even before the war, simply cannot bear this cost alone.

But \$2.2 billion is a lot of money, even in a budget which this year totals more than \$265 billion. We are operating in the red, and this will push us quite a bit further into the red, a situation which we cannot afford to ignore. To fully discharge our responsibility to the American public which elected us, we should be looking for a way to finance this appropriation by cutting spending elsewhere. The habit of spending money without concern over where it will come from is what has gotten us into deep trouble before. It provided the motivation for the Budget Control Act which we passed last week. To spend this money without providing the revenue from which it must come or by curtailing other spending would be irresponsible.

We should note that the supply of Israeli armed forces with American tanks, planes, and other equipment was at the expense of our own stockpiles, and in some cases, at the expense of the inventories maintained by our active and reserve units. This equipment must be replaced if the United States is to maintain the necessary level of military preparedness.

Thus, I hope we hear no anguished cries when the Pentagon approaches us in the near future for money to replace equipment which was shipped to Israel last October. We should also keep in mind that the cost of new equipment will inevitably be higher than the equipment on hand which we sent overseas during the Arab-Israeli war, thus further increasing the amount which will be necessary to replace it.

In short, let us keep in mind that our generosity to our allies must come at a price. Our willingness to provide this aid must be matched with a willingness to pay for it.

Mr. PODELL. Mr. Chairman, there is a monument to the fallen in northern Galilee with the inscription:

In blood and fire Judah fell, in blood and fire Judah will arise.

In 1948 many of us felt we had seen fulfillment of that prophecy. A free and independent Jewish state rose from the ashes of war to take her place proudly

among the nations of the world. Now, 25 years later while the pride of accomplishment is still strong, the struggle for independence goes on, the fire is still raging.

Every conflict ends with a cease-fire, never a permanent peace settlement; brief years of prosperity alternate with terrifying wars, and any moment a new shooting war may begin. As the fighting continues, the human needs of millions of Jews and Arabs are neglected. We can only pray that the negotiations soon to begin in Geneva will signal a new process of peace, compromise, and mutual respect.

Yet with bitter irony as Israel works for peace, she prepares for war. Years of distrust endanger the negotiations and if they fail the only option will be a strong defense. As in the days of Nehemiah the people of Israel must build up the land carrying swords in their hands as they work. For the past 25 years those swords have been provided by the United States. As Americans, we have committed ourselves for both moral and strategic reasons to the aid of Israel.

Today we can either reaffirm that commitment or we can yield to Arab blackmail. The recent war proved beyond any doubt that Israel cannot fight solely on guts and will. Cash and extremely sophisticated weapons are necessary elements in any hope of victory. The costs to the Israeli forces exacted by the SA-6 ground-to-air missiles alone were so great as to jeopardize the entire war effort. These missiles have been poured into Egypt and Syria as a small part of the stream of military hardware.

This Russian challenge can only be countered by the United States. It was the massive airlift wisely authorized by President Nixon which assured Israel's security during the recent fighting. Without the knowledge that American supplies would be forthcoming, Israel could not have committed her forces so strongly in battle.

However, the airlift was only the first stage in the supply effort. The second stage must be to rebuild and strengthen a war torn army still facing a foe with limitless equipment. The decision on the amount of equipment which the United States provides for the rebuilding effort and the method of financing it properly rest with Congress. Today we will make that decision.

The bill before us, H.R. 11088, authorizes \$2.2 billion in emergency security assistance for Israel in some combination of aid and credits as the President determines to be proper. At a time when our own budget is so severely strained, the allocation of such massive grants to any country must be closely questioned. A careful consideration of this legislation, however, forces the conclusion that large military grants are unavoidable. Though in the past, Israel has always paid for American equipment, today the Israeli economy, quite simply, cannot afford it. On top of the billions upon billions of war related costs, the Israeli Government recently announced that full mobilization would remain in effect for at least three more months.

That means the economy must con-

tinued to manage with a critically depleted labor force. Crops will go unharvested, exports needed for foreign exchange will pile up on the docks, and the trucks and buses which form the heart of the transportation industry will remain commandeered for military purposes. Given these extreme pressures a new arrangement on military supplies between the United States and Israel is clearly dictated.

Essentially the issue of providing grants is the same as that raised by the Arab oil boycott. We will stand firm militarily but allow economic pressures to subvert our policy and Israel's safety? A protracted war of attrition, requiring full mobilization of Israeli reserves will tax Israel much more severely than it will the heavily populated, oil rich Arabs. Surely, the effect of the oil boycott has taught us how potent economic weapons can be and we must treat them as seriously as we would military provocations.

In short, without these grants we will be crippling Israel's economy just as effectively as the Arab oil boycott is crippling our economy, and for Israel that would be total disaster.

Nor is there any where else Israel may turn for help. Her traditional friends around the world are deserting her as Arab pressure grows. Japan, Britain, West Germany, Ethiopia, and dozens of other countries have prostituted themselves for Arab oil. If the United States joins their ranks, Israel will be truly alone.

Mr. Chairman, all sides in the Middle East must make compromises if peace is to come but the incentive to compromise will disappear if one side is disarmed.

Mr. COTTER. Mr. Chairman, I rise in strong support of H.R. 11088, a bill which authorizes \$2.2 billion in emergency security assistance to Israel. As is well known by my colleagues in the House today, the brave Nation of Israel fought a war on two fronts that resulted in tremendous losses of Israeli fighting men and women. The war also took a horrible toll in airplanes and tanks which were so essential in stemming the tide of this unprovoked attack by Egypt and Syria.

As I mentioned in a statement on October 10, there could be no question who started this war. But this is not the time to enter into mutual recriminations and name calling. Rather, we must work to maintain a military and diplomatic atmosphere that will result in a lasting peace in this war-torn area of the world.

In large measure the hope for a lasting peace will depend not only on the good will of the negotiators, but also on Israel's ability to maintain a viable military posture. A weakened Israel, an Israel without adequate weapons, will encourage further warfare. Without a balance of conventional weapons, this arms instability could lead to renewed fighting with the possibility of a nuclear confrontation which could ultimately involve both the United States and the U.S.S.R.

This bill provides that the Defense Department conduct a thorough study of the effectiveness of the military assistance program as it relates to the 1973 Arab-Israeli war. The bill further au-

thorizes payment of the U.S. share of United Nations Emergency Forces in the Middle East but, of course, does not provide that U.S. troops would be used in these United Nations Forces. Finally, the bill authorizes military aid and/or military sales credits for Israel.

Mr. Chairman, I support this bill because the massive Soviet resupply of Arab forces is contributing directly to the present and future instability in the Middle East. Since October 6, Israel has purchased over \$1 billion of U.S. arms to replace the war losses. But even this effort was overwhelmed by the massive Soviet resupply effort. Therefore, I think that this \$2.2 billion emergency assistance program, prudently administered, will contribute to stability in the Middle East.

I know that some people believe that we should abandon Israel in order to secure Arab oil. I cannot agree. To give in to Arab oil blackmail will decrease our ability to prevent future types of blackmail, wholly apart from the question of abandonment of our moral and diplomatic commitment to Israel.

On the other hand, I believe that the horror of the October 6 war has increased the mutual respect between the Arab and Israeli armies. This mutual respect, I am hopeful, will be the basis for a lasting peace, but if Israel is abandoned, the forces of aggression in the Arab world will be strengthened, the forces of moderation crushed, and the flames of war will again be ignited.

I believe that our Nation which contributed directly to the founding of Israel in 1948 has a serious and binding moral obligation to contribute to Israel's ability to maintain itself as a free and vibrant Nation. I urge my colleagues to support this bill.

Mr. TALCOTT. Mr. Chairman, I am voting for this authorization bill to provide \$2.2 billion for Israel. I do so with reluctance. I am perfectly willing to help Israel defend its national security but I question the adequacy of the justification for this huge sum of money.

There has been insufficient proof of war losses. No one has seen an accurate "shopping list." Israel has not proved its need for this sum. Neither the State Department nor the committee has demanded justification.

It has been said that \$2.2 billion is necessary to replace Israeli war losses. No accounting of Israeli war losses has been made. The excuse that the "confusion of war" precludes obtaining accurate estimates of the losses is not sufficient excuse for the Congress when authorizing the expenditure of U.S. funds.

For one example, tank losses are said to be a larger portion of this demand. But "tank losses" have not even been defined, let alone proved or accounted for.

When is a tank lost? When is it totally destroyed by a direct missile hit? When it "throws" a track? When it runs out of fuel? When it sustains minor damage? When it can be returned to operation in 5 days or 30 days?

Many of the tanks claimed to have been lost are probably now back in operation.

The Israelis captured several hundred

Arab tanks which could be refitted with Israeli arms. Is this "net gain" of tanks deducted from the Israel shopping list?

I think we should know.

If there is a true, justifiable need for \$2.2 billion to save Israel from annihilation, of course, U.S. taxpayers would be willing to foot the bill, but we are entitled to better justification of such demands. We demand better justification from our own departments and agencies.

Also we should inquire about Israeli arms and munitions which they manufacture or refit and sell to other nations. Should we be furnishing arms and war materials to Israel while they are selling arms and war materials to other Nations?

Mr. BIAGGI. Mr. Chairman, I rise in strong support of the bill H.R. 11088, providing emergency security assistance for Israel. This legislation is urgently needed if we are to succeed in achieving a viable and lasting peace in the war-torn Middle East.

In the last 25 years, since Israel's conception, the Middle East has been a flashpoint for potential world conflict. In the last 6 years alone, there have been two major outbreaks of war between the Arabs and Israelis which flared dangerously with bringing about a full-scale confrontation between the Soviet Union and the United States.

Throughout these troubled years, the United States has attempted to carry out a policy with Israel designed to achieve the combined objective of maintaining a balance of military capabilities; as well as promoting overall stability in this area.

Yet, in recent years, the costs involved in carrying out this policy have increased dramatically. In the October 6 war alone, we have provided Israel with nearly \$1 billion worth of arms to compensate for a massive Soviet buildup of Arab nations. This resulted in restoring Israel's military strength to at least prewar levels, thus preventing her defeat.

However, despite the peace which precariously prevails today in the Middle East, the Soviet Union is continuing to rearm and resupply the Arab armies. It is in light of these continued reckless and dangerous actions on the part of the Soviet Union that the President was forced to ask for this \$2.2 billion package to assist Israel, which we are considering today.

The beleaguered, yet courageous, nation of Israel has been besieged with adversities throughout its entire history. And despite the efforts of many international leaders to bring peace to this area, it is now conceded that the only peace which can last here will be based on the maintaining of a military balance between Israel and her Arab enemies. This bill would help her accomplish this by allowing the Israelis to keep peace with the massive Arab reinforcements supplied by the Russians. It is only when the Arab nations realize that Israel will be equally equipped will there be a basis for peace here.

Mr. Chairman, let us serve notice not only on the Arab nations but on the Soviet Union as well, that the defense and safety of Israel will continue to be



our foremost international concern. We cannot afford to delay another day in granting this assistance. The need is now, and we must respond to it. I urge the overwhelming passage of this bill by my colleagues today.

Mr. BINGHAM. Mr. Chairman, I commend the chairman and my colleagues on the House Foreign Affairs Committee for developing a proposal for emergency military assistance to Israel which won practically unanimous bipartisan support within the committee.

The central purpose of H.R. 11088 as amended by the committee is to guarantee the security of Israel and thus maintain the balance of power in the Middle East. As administration representatives in the hearings and in private discussions with committee members have pointed out, the Arab States, as well as the Israelis, must be made to realize that they have nothing to gain by continuing the fighting and everything to gain by negotiating. As Deputy Secretary of State Kenneth Rush testified:

This legislation will provide firm evidence of American support against (Arab) aggression and of our willingness to help create a situation in which negotiations leading to a lasting peace can take place.

Historical forces have placed a heavy responsibility on the United States for creating a climate of peace in the Middle East. We have the difficult job of offsetting the massive Soviet assistance to the Arabs so that negotiations can proceed under favorable conditions. For the first time in 25 years the Arabs feel confident enough politically to go to the conference table. Israel's leaders have sought reconciliation through negotiations with their Arab neighbors ever since the creation of this tiny democracy, but the Arabs have consistently refused. In their weakened and disorganized condition, the Arabs apparently felt unable to negotiate directly with Israel. Their humiliation in the 1967 war was so great that the Arab leaders believed they must restore their prestige before they would talk. Now with huge arms shipments from the Communists, improved Arab unity and morale, and use of the weapon of oil blackmail, the Arab nations seem confident that they can force significant concessions from Israel at the negotiating table.

As for Israel, the events since the reprehensible Yom Kippur attack have come as a shock. For the first time there is doubt in the minds of her leaders that Israel can maintain her own security without outside help. Her financial condition has been drastically weakened by massive expenditures for arms and ongoing nonmilitary needs, while her sources of foreign currency, principally exports and tourism, to pay for needed imports have declined rapidly. Israel's citizens already bear the burden of the highest rate of taxation in the world and her foreign debt per capita is more burdensome than that of any other nation. A large portion of Israel's debt is to the United States, which up until now has provided her with arms only on a cash or credit basis. Prior to the outbreak of fighting on October 6, Israel owed the United States \$1.2 billion for

credit sales and \$500 million for cash sales. Since that time Israel has received \$1 billion worth of military equipment transferred to her by the U.S. Defense Department on the basis that she would pay cash for it in 120 days, that is by February or March of 1974. Defense Deputy Secretary Clements testified before our committee that there is a real possibility that Israel would have to default on the \$1 billion if she does not receive U.S. financial aid. I personally doubt that Israel would do so—she has never yet defaulted on a loan—unlike nations we aided during World War II under our lend-lease program—but the burden of making such payments would be almost catastrophic. Moreover, H.R. 11088 will assure that the Defense Department will be promptly reimbursed for the value of the materiel supplied Israel since October 6.

Israel can no longer assume that she can defeat the Arabs over and over again. And she realizes that, while the Arabs can afford many defeats, Israel cannot afford one. The Arabs not only have great superiority in numbers and in sophisticated equipment supplied by the Communists, but they have also shown improved fighting ability. Many Israeli leaders are beginning to accept the hard facts that Israel can no longer go it alone, and that, because of Arab oil blackmail, the United States has become Israel's only source of help. Her representatives go to the conference table in hopes of securing a negotiated settlement for a lasting peace, but they must be mindful of the extremist elements in their constituency who still hold on to the belief that the only solution to the conflict is a military one.

H.R. 11088 will give the Government of Israel a chance to seek a nonmilitary solution; without it, the extremist elements on both sides may prevail. If Congress wavers in its support for the kind of flexible aid approach the administration has recommended, it may provide aid and comfort to these extremist elements and jeopardize the climate for peace.

How much of the \$2.2 billion needs to be grants and can be credits in order to fulfill H.R. 11088's purpose cannot be determined at this point. Israel is in the process of a massive fund-raising effort while assessing her losses in the October war and her future military needs. Our Government also is in the process of completing an independent assessment of Israel's military needs.

Turning now to the legitimate concerns expressed by Members of Congress about this highly flexible proposal, the committee has sought to add safeguards and guidelines through amendments and the legislative record to insure that the money this bill authorizes will be used wisely with the maximum participation of Congress in the decisionmaking. The executive has been put on notice that it is to spend no more than necessary to achieve a Middle East power balance. To insure some measure of congressional responsibility in this regard, amounts of aid in excess of \$1.5 billion—the current cash liability of Israel—have to be reported to Congress together with their justification 20 days before the date of

their obligation or expenditure. However, the committee has wisely recommended suspension of this 20-day reporting requirement in the event of a renewal of hostilities. In addition, to make sure that Congress is kept fully informed about the effectiveness of this emergency assistance in maintaining the balance of power in the Middle East, the Secretary of Defense is directed to conduct a study of the 1973 Arab-Israeli conflict to assess the military strength of each party to the conflict including a comparison of U.S. weapons supplied to Israel with the Communist weapons delivered to the Arabs. The Secretary is to report his conclusions from this study to Congress as soon as possible and no later than December 31, 1974.

In closing, I would like to reaffirm my belief in the possibility of a permanent peace in the Middle East through direct negotiations, hopefully beginning this month. If the United States helps to maintain the balance of power, and resists the temptation to seek to impose terms for a settlement on Israel, there can be realistic negotiations on the part of both parties. I recognize that this is not an easy course to follow, especially when we are faced with hard domestic choices forced upon us by Arab oil blackmail. If our Middle East policy is successful the rewards will be great morally, politically, and economically; if we waver and fail, we face grave long-term consequences, one of the most serious of which will be the establishment of economic blackmail as a successful political tool in the hands of nations controlling needed raw materials. The United States has a unique chance to prevent such a disastrous development.

I urge my colleagues in the House to join me in reasserting U.S. control over its own foreign policy, and our faith in the possibility of a peaceful settlement in the Middle East by voting for passage of H.R. 11088, as amended.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 11088 which authorizes \$2.2 billion in emergency security assistance for Israel in fiscal 1974 and for the U.S. share in the cost of maintaining the U.N. emergency force in the Middle East. I think it is most important to point out in considering this legislation that maintaining a military balance in the Middle East during this difficult cease-fire and prenegotiation period is essential to getting those negotiations on the track and to promoting a lasting peace in that troubled part of the world. We have no interest in engaging in a runaway Middle East arms race with the Soviet Union which might tempt either side to reinitiate hostilities. I think the diplomatic record of the United States makes it quite clear that our primary objective is to bring the parties directly involved in the hostilities together for the purpose of achieving a permanent resolution of their longstanding differences.

As the recent outbreak of hostilities so clearly demonstrated, turbulence in the Middle East can cause an adverse ripple effect on countries around the world, and poses the ultimate threat of engulfing our entire globe in a nuclear tidal wave. As the committee report points out:

For more than a quarter of a century, the Middle East has been a potential tinderbox for world conflict. Even without direct superpower combat involvement, Middle East instability and wars have been costly to the people of that region, to the United States and to other countries.

In addition to our own interest in maintaining peace throughout the world, this country has a longstanding moral commitment to the sovereignty and survival of the democratic State of Israel. We have supported that concept since the birth of Israel and it has been our position that the recognition of Israel's sovereignty by other nations in the area, coupled with a serious effort by the Arabs and Israelis to negotiate a settlement of their longstanding differences can lead to a permanent peace in the Middle East. Hopefully the most recent stalemate and ceasefire can finally bring about the realization of those goals.

The purpose of the bill before us today is not to rearm Israel for the purpose of renewing hostilities, but rather to provide military material to replace combat losses and thereby give Israel an equal footing with its adversaries as it approaches negotiations and to insure the type of military balance in the area which is necessary to insure that those negotiations go forward. Obviously, a military imbalance will only provide a disincentive to negotiations and a potential invitation to a renewal of fighting.

I think it is important to emphasize that in the past Israel has obtained U.S. arms by cash or credit, and not by grants. However, the most recent Arab-Israeli war has taken its heaviest toll on Israel's economy. Last year one-fourth of Israel's GNP was devoted to defense; her taxpayers are reported to be paying the highest rate in the world; her foreign debt was around \$4 billion; and at the time of the outbreak of hostilities she owed the United States approximately \$1.7 billion in past cash and credit purchases of military equipment.

The most recent war has obviously compounded Israel's economic plight with one-quarter of her work force mobilized for defense. This has greatly impaired her production and ability to earn foreign exchange. Without financial assistance she is likely to default on the \$1 billion due to the United States next February. For these reasons, this legislation is essential for it provides authority for grant military assistance for Israel as well as cash and credit sales.

Mr. Chairman, I think the committee is to be commended on underscoring our intention to promote Middle East peace and stability through this legislation incorporating a provision to insure that the Executive will spend no more than necessary to achieve a military balance. That provision, contained in section 2 of the bill, would require that the President give 20-day prior notification to the Congress if he finds it necessary to expend more than \$1.5 billion for military assistance and/or credit sales. The President's report must include the amount in excess of \$1.5 billion he intends to expend, and the terms and justification for the additional assistance.

I think the committee is also to be

commended on the innovative feature in the committee report which proposes that the portion of the \$2.2 billion authorization not used for military assistance be used to stimulate the creation of a Middle East Regional Development Bank, to be funded by other countries as well, for the purpose of assisting in promoting the social and economic development of the entire area, thus fostering a climate for genuine peace and progress in the Middle East. While this is not authorized in this bill and would require a separate authorization, I think it is a most meritorious proposal and one which should help induce the parties involved to reach a peaceful settlement. In addition, it is a multinational assistance approach which is in keeping with the new direction in foreign development assistance we are attempting to promote.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 11088, which would authorize \$2.2 billion in emergency security assistance for Israel.

On the holy day of Yom Kippur, the State of Israel was attacked on two fronts; the Syrians moved southwest over the Golan Heights and the Egyptians moved northeast across the Suez Canal into the Sinai Desert.

This offensive was countered by the Israeli Army at the cost of many lives, destroyed weapons, and a perilous situation in the already tense Middle East. And today, while peace hangs by a thread, the Arab nations are making demands upon both Israel and her allies who stood with her during this brutal conflict.

Israel is being asked to move back to the pre-1967 borders, and the United States is being asked to guarantee this move, or face a continued embargo on Arab oil.

Mr. Chairman, our commitment to the continuation of the State of Israel is being tested, and, perhaps, greater pressures will come.

But, stand beside Israel we must. The assistance needed to defend her borders is necessary for peace; for the moment that Israel is incapable of defending herself, surely the Arab threats to extinguish this solitary light of freedom will be fulfilled.

Israel is like a city under siege: Those within the walls can win many battles without bringing true peace and the attackers outside may lose many times without losing entirely. But the defenders—the Israelis—can lose but once. No matter how many wars are fought, no matter how many battles are won, the enemy will still be there waiting for that one victory which will spell disaster for those within the city.

Thus, it is our duty to provide Israel the strength for a stand-off, to equalize the forces, so that the people of Israel and the Arab nations may solve their problems together at the peace table.

The bill before us today would provide funds to help Israel defend herself, and I urge my colleagues to join with me in supporting this necessary measure.

Mr. DORN. Mr. Chairman, providing emergency military assistance to the small nation of Israel is in the interest

of peace. This bill has my full support and I urge the House to approve it by an overwhelming margin.

Mr. Chairman, the bill now before us would help maintain the military balance necessary for peace in the Middle East by authorizing \$2.2 billion in emergency security assistance to Israel. Soviet Russia continues to pour military hardware into the Arab States. Since the Yom Kippur war Israel has paid for nearly \$1 billion in arms from the United States. Israel will need further arms to counter the Russian arms influx which simply cannot pay the bill without U.S. help. If the military balance is disrupted there would be no incentive for the Russians and the Arabs to negotiate.

This bill will serve notice on Russia and the Arab States that the United States is determined to maintain a balance of power. This bill will serve notice to all nations that the only answer is a negotiated peace and not further war.

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation to authorize \$2.2 billion in emergency military aid and foreign military sales credits to Israel for the current fiscal year and urge that it be promptly enacted.

By providing Egypt and Syria with highly sophisticated planes and other modern military equipment such as tanks and missiles, the Soviet Union clearly precipitated the Arab invasion of Israel. The only possible course open to maintain the military balance essential for the eventual achievement of peace in the Middle East and to insure Israel's territorial integrity is for the United States to furnish Israel the arms and equipment necessary to defend herself against any future attacks by her Arab neighbors. We must not only replace those items lost during the actual fighting with the Arab States but must also furnish Israel the necessary financial aid to maintain military strength for her defense.

Shortly after the outbreak of the Middle East fighting I was pleased to join in sponsoring a resolution calling upon the administration to honor existing commitments to supply aircraft to Israel. Israel's traditional air superiority was critical, in my judgment, to bring the fighting to an end. Further, I was an original cosponsor of House Resolution 613 which urged our Government to supply Israel with Phantom jet fighters and other military equipment in sufficient quantities to enable her to repel further attacks and to offset the military equipment and supplies furnished by the Soviet Union.

By supplying the Arabs with vast quantities of military hardware the U.S.S.R. has made a mockery of détente with the United States and has subverted any meaningful attempts to achieve some sort of accommodation. In light of this action the United States has a special duty to guarantee Israel's invulnerability to Arab attack. By convincing Russia and her Arab pawns that the United States is committed to Israel's security, I believe the way toward a substantive Middle East peace will be opened.

Mr. Chairman, I strongly believe that



the measure before us this afternoon affords the Congress an opportunity to take affirmative action to fulfill our moral and legal commitments to Israel and to make clear our intention to continue our support for this lone bastion of democracy in the Middle East. I urge prompt and favorable action on it.

Mr. O'NEILL. Mr. Chairman, I rise in strong support of this bill, H.R. 11088, which authorizes emergency security assistance for Israel.

This measure has been urgently requested by the President and is supported by the leadership on both sides of the aisle. For, we not only have assurances that the administration will not spend any more funds than are absolutely necessary, but we also have a provision in the bill requiring the President to report and justify his expenditure to the Congress.

The purpose of this bill is to promote the goal of American foreign policy in the Middle East—that is, to help achieve an enduring peace in an area of such dangerous volatile potentiality, that it could explode into worldwide consequences and repercussions.

It is because of this explosive potentiality that we need this bill.

We need this bill to support Israel, to assure her of the security she must have in order to negotiate a truly lasting settlement.

We need this bill, therefore, to encourage Arab States and to the Soviet Union, that the United States will provide Israel with the weapons she needs for her defense, indeed for her survival as a nation.

We need this bill, therefore, to encourage the Arab nations that their best interest lies in negotiating a durable peace—not in striking at Israel again.

Israel cannot afford to pay for the weapons she needs from us. Her economy already is heavily overburdened. Yet, she must have the military means to defend herself and assurance of further shipments from us to the extent that becomes necessary so she can proceed with the serious negotiations at hand.

Mr. Chairman, our only goal in the Middle East is a lasting peace with security for Israel under a negotiated settlement acceptable to all sides.

So, I urge all my colleagues to vote for this legislation which I am convinced will contribute dramatically to achieving this objective.

Mr. KOCH. Mr. Chairman, I rise in support of the legislation before us to provide Israel with \$2.2 billion in emergency security assistance. I will not restate all of the arguments that have been made in support of this legislation by the distinguished members of the Foreign Affairs Committee and its distinguished chairman, THOMAS E. MORGAN. That committee was almost unanimous in reporting this bill out to the House.

I recently visited Israel and was present in that country from November 18 to November 23. The Government officials with whom I spoke and our own U.S. Embassy officials provided me with background and insight into the military and economic problems facing that country. I met with the Director General of the Ministry of Finance, Avraham Agmon.

He told me that the 19 days of the October war cost Israel approximately \$300 million a day, or a little less than \$6 billion. This was the cost of destroyed war material, mobilization of the army, and the immediate economic losses suffered by the country. The total working population of Israel is 1 million and when the army is fully mobilized it commands the efforts of 300,000 people.

On November 22 when I was in the country, 25 percent of the working force was still mobilized in the army which had to maintain a daily alert. During the recent hostilities, our Defense Department delivered approximately \$1 billion in arms to Israel. Because of the enormous forces arrayed against the Israelis, munitions delivered in the evening by our C-5A's were used by the Israeli soldiers on the battle line the following morning.

The expected deficit in the next year for the Israeli budget is \$2.7 billion. To deal with that problem and to raise new funds within Israel itself, Israeli citizens are now being required to purchase "compulsory bonds"; in addition, people are being urged to buy additional bonds on a voluntary basis. The Government also has cut its various subsidies heretofore used to keep prices for necessities within bounds and it has increased the cost to consumers of Government services. Taxes represent 60 percent of the total income in the country compared to 30 percent in the United States and Israel has doubled its taxes every 2 years.

As the committee report states:

This bill is designed to assure Israel the security she needs. It is designed to demonstrate unmistakably to Arab states and the Soviet Union that the U.S. will provide Israel with weapons essential for Israel's defense.

Director General Avraham Agmon provided me with the following details on his own financial situation to demonstrate how the Israelis are being required to bear as much of the cost of the country's defense as possible: Director General Agmon is one of the highest officials in the country and receives a salary of \$650 a month. Out of that he must pay taxes and buy his compulsory bond as well as his voluntary bond. These bonds are redeemable after 15 years at 3-percent interest. With these deductions, his salary is reduced to \$300. This amount is further subject to municipal taxes, school costs, and health insurance.

Mr. Chairman, as it has been stated by those who have spoken before me, as well as by Secretary of State Henry Kissinger, it is in our national interest and a moral imperative that we provide Israel with this financial assistance. Israel is the only democratic state in the Mideast. If we do not insure its security and economic well-being, and were it to be defeated by the Arabs, that area will become a Soviet bastion which would not bode well for our national security or for the free world. It is a moral commitment because of the Judeo-Christian ethics which bind our people. The United States took the lead in creating the State of Israel and resurrecting an ancient people in its own land. We must assist them now when almost every other country has bartered or sold its principles and ideals in exchange for oil.

When I saw Mrs. Meir on my recent trip to Israel she said to me and I shall always remember her statement:

We shall never, never forget what your country did for us. Our children will be telling it to our great grandchildren.

The ties that bind our two countries together are insoluble. I urge the passage of this bill.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 11088, legislation authorizing \$2.2 billion in emergency security assistance for the State of Israel. As a member of the Foreign Affairs Committee, from which this legislation originates, I have had ample opportunity to study the issues raised by this bill, and I am convinced of the need for its enactment.

The \$2.2 billion authorized by this bill is to be used to provide military assistance to the nation of Israel that is still recovering from a tragic and costly conflict. Much of this authorization will be used to provide, for the first time, grant military assistance to Israel. This bill sets a limit of \$1.5 billion on total assistance unless the President determines that the expenditure of the remaining \$700 million is required by the national interest.

This legislation marks another step in the evolution of American support for Israel. It should be remembered, as we consider this request for \$2.2 billion, that the great preponderance of military assistance to Israel in the past 25 years has been on a cash or credit basis. It was not until 1962 that the United States began to sell sophisticated weapons to the Israelis, and in fact, it was only in response to the massive Soviet arms resupply effort to the Arab States after the six-day war of 1967 that the United States initiated the kind of comprehensive military sales program that included Israeli purchase of F-4 Phantom fighters, the mainstay of the Israeli Air Force. Prior to the "Yom Kippur war," however, grant military assistance was not made available to Israel, while between 1946 and 1972 the United States, according to the Agency for International Development, expended a total of approximately \$55 billion in grant military assistance throughout the world.

Israel's economy is such that grant military assistance is now a necessity. Israel has the highest per capita foreign currency debt in the world. Israel has the highest tax rate in the world—and yet, Israeli citizens have recently been required to make a compulsory defense loan of between 7 and 12 percent of their income.

Israel's economy has been hurt by the war, and continues to be stifled by the impact of mobilization. It is estimated that the loss in gross national product between October and December of this year will be approximately \$476 million, with an additional estimated loss in GNP of \$952 million for 1974. The Department of Defense has documented that Israeli purchases of military equipment, as a result of the recent war, have already amounted to \$825 million, with at least another \$175 million in purchases expected. Yet Israel's need is estimated to be \$3.2 billion, and this need will be difficult if not impossible to meet without substantial grant assistance.

Many Americans, remembering the tragedy of our involvement in Vietnam, are anxious that American military forces not be directly involved in the Mideast conflict. The current energy crisis makes matters more difficult, as the Arab oil embargo has exacerbated an already difficult energy situation. And, there is a view that the United States should take a position that at least reflects an acknowledgement of legitimate goals and aspirations of the Arab States and the Palestinians.

I believe that passage of the emergency security assistance bill will further these goals. The most important objective of U.S. policy toward the Mideast, it seems to me, should be the conclusion of a durable peace that is just for all parties concerned, but which also provides for the continued security of Israel—a country for which the United States historically bears a great responsibility. The one lesson of the recent conflict is that the force of arms alone will not solve the many critical problems in the Mideast. But there is another important lesson as well—one demonstrated by the massive Soviet arms shipments to the Arab States since the cease-fire—and that is that no peace will be achieved if either side in the conflict has the perception that the other side is negotiating from a position of weakness. Therefore, I believe it necessary and appropriate that the United States continue adequate security assistance in support of Israel to the extent necessary to ensure the military sufficiency of Israeli forces. H.R. 11088 would accomplish this goal.

Seventeen million dollars in the bill will go to cover the costs of the United Nations troops now policing the delicate cease-fire. If for no other reason than to reduce the likelihood that hostilities will be renewed, this \$17 million is well spent. But, it seems to me, there is a more important principle at stake. The recent war reemphasizes the importance of the United Nations in any Middle East solution. I hope that U.S. policy will reflect an appreciation for the valuable role that the U.N. can play.

I urge my colleagues to support H.R. 11088. It is an urgently needed bill, and one that I genuinely believe will advance the prospects for peace in the Mideast.

Ms. HOLTZMAN. Mr. Chairman, I rise in strong support of H.R. 11088 which provides \$2.2 billion in emergency security assistance for Israel. In taking this essential action we not only are seeking to guarantee to survival of a valiant friend and a vital democracy, but we are at the same time protecting the best interests of our own Nation. We are reaffirming our support for the territorial sovereignty of a threatened democracy and at the same time we are protecting our only reliable ally in the Middle East, a region dominated by forces hostile to American interests.

Since the sudden and deliberate attack on Yom Kippur, the holiest day of the Jewish year, Israel has faced a formidable military threat. No less than 10 nations, with combined armed forces that outnumber Israeli forces by nearly 3 to 1, have united against them. Supplied with the most advanced Russian weap-

onry, the Arab nations are clearly bent on achieving a military dominance in the Middle East. Some even advocate the destruction of the State of Israel. It is, therefore, imperative that we take prompt action to help Israel replenish her resources so that she can bargain from strength at the negotiations table, thereby retain defensible borders, and the city of Jerusalem.

For this reason I urge my colleagues in the House to guarantee the security of Israel by passage of the Emergency Security Assistance Act, which authorizes \$2.2 billion in direct grants and sales credits for military aid to the State of Israel. It is estimated that at least \$1 billion in military equipment will be needed immediately to counter the massive Soviet arms shipments to Arab countries that have continued unabated since the outbreak of fighting. Without prompt action that neutralizes past and future Soviet armament build-up in the Middle East, Israel will be a target for another Arab attack.

Israel suffered casualties in the brief Yom Kippur war that, in proportion to its population, were greater than American losses in 11 years of fighting in Vietnam. And in spite of their military success, the Israelis were forced to spend \$100 million per day during the hostilities. We must do everything in our power to make it plain to the Arab nations that they cannot continue to wage wars of attrition supplied by Soviet arms that will take the place of serious negotiations.

We must support the survival of Israel. I therefore urge passage of H.R. 11088.

Ms. ABZUG. Mr. Chairman, I rise in support of H.R. 11088 which provides emergency security assistance for Israel. The funds contained in this legislation are critical to the very survival of the State of Israel and the maintenance of her territorial integrity.

This is, as we know, a time of both peril and opportunity for Israel. Her negotiators are going into the peace talks, which are scheduled to open in Geneva on December 18, with a set of proposals that deserve wide support. They will call for a final renunciation of war by both sides, the establishment of diplomatic relations, and the introduction of normal commercial ties between all countries of the Middle East. Recently, an Israeli official was quoted in a New York Times interview as saying, "We want to demonstrate at the outset that this is a peace conference, not a withdrawal conference."

Certainly no unilateral withdrawals or other concessions can be expected until it is clear that the Arab nations are willing to accept the existence of Israel once and for all and to follow this up with clearcut evidence of a desire to live peacefully side by side with Israel. The leaders of Israel have made clear that territorial concessions would be forthcoming within the context of such an agreement.

It is even more essential that Israel go into the peace talks able to bargain from a position of military strength. During a trip I made to Israel during the Thanks-

giving recess with other Members of the House, we had an opportunity to talk with Prime Minister Golda Meir and other government and army officials, and we also toured the Suez front. Over and over, we were told that the rapid airlift of American weapons, ammunition, medical supplies, and equipment—an average daily lift of about 1,000 tons—had been absolutely crucial to Israel's military recovery and the advances that were made.

We were also told, and it is by now well-known, that the Arab armies were equipped by the Soviet Union with very large numbers of the very best in each class of weapons. In some instances, the Syrians and Egyptians were equipped with advanced models of troop carriers, antitank missiles and tanks that are not yet even in general use in the Soviet Army, and the Soviet Union is continuing to supply the Arab nations with military equipment.

It should also be noted that the Israelis were not only confronting the most sophisticated Soviet planes and missiles, but also French Mirage planes, British Hunter jets and Centurion tanks, and even some tanks furnished by the United States.

In voting on this bill we should also remember that unlike other nations who have received our weapons Israel is a democracy with a united purpose whose people and country have been a haven for the dispossessed and the haunted from the days of the holocaust to the present.

As the one nation that has stood by Israel, we must today enact this bill to provide up to \$2.2 billion in emergency security assistance to Israel. We should do so for at least two reasons: to restore the enormous losses that Israel incurred in the Yom Kippur war and to notify the whole world that the American people will continue to stand by their commitment to Israel and its territorial integrity and to serve notice that we will not succumb to the Arab oil blackmail.

The public may not realize this, but between 1946 and 1972, according to the Agency for International Development, the United States provided to foreign nations grants and military assistance totalling approximately \$55 billion. Among the recipients were many dictatorships whose policies are anathema to our democratic principles. We even sent grants of military assistance and training totalling about \$324 million to nine Arab States, but not a single penny of this assistance was ever given by us to the tiny, democratic State of Israel.

Leaders of the Israeli Government estimate that it will cost almost \$3 billion to make up for the overwhelming destruction of military equipment, weapons, and planes that occurred on the two fronts. The compromise figure of \$2.2 billion in this bill will allow Israel to purchase the military equipment she needs for her defense, allow her to pay off those short-term debts whose payment cannot be avoided, and prevent her from sliding into hopeless bankruptcy.

In voting on this bill, we should also remember that unlike other nations which have received our weapons, the beleaguered Israeli people have never



asked for American manpower. They have shown they are willing to make incredible sacrifices to preserve their tiny nation. The threat to their survival remains, compounded by the ominous Arab oil boycott.

Our action in favor of this bill today can signal to the world the readiness of the American people to continue to extend the hand of friendship and support to the courageous people of Israel. We all pray that a permanent peace settlement will be achieved in Geneva, a settlement that is vital not only to all the nations of the Middle East but to the entire world. We must do all we can to make that peace possible and I therefore will vote for this measure.

Mr. MORGAN. Mr. Chairman, I have no further request for time.

Mr. MAILLIARD. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Security Assistance Act of 1973".*

(By unanimous consent, Mr. GROSS was allowed to proceed for 5 additional minutes.)

Mr. GROSS. Mr. Chairman, the legislation now before the House is the latest chapter in the continuing tragic inability of the administration and Congress to understand that the American people, already bearing the crushing load of more debt than all other nations combined, cannot continue to bankroll wars around the world and pose as this planet's policeman over and over and over again.

This legislation, authorizing the handing over of \$2.2 billion to Israel, represents a partial payment, and only a partial payment, for the one-sided and improvident intervention by President Nixon in the Arab-Israel war—an act of intervention that had no approval by the American people or Congress, either before or after the fact.

The unilateral, one-sided action of the President is not only costing our citizens more than \$2 billion, but his alienation of once friendly Arab nations and their subsequent oil embargo is costing American industry, business, and workers uncounted hundreds of millions of dollars and thousands of workers have lost their jobs.

The grave and unanswered question is why Nixon armed only Israel in this war. In years past, the President and his predecessors have provided military hardware to the Arab States. Arming both sides in the October conflict would have set no precedent, but it would have been a demonstration of evenhanded treatment and it is doubtful that vital oil supplies would have been cut off.

Appearing before the House Appropriations Committee on the administration's request for this huge handout to Israel, Deputy Secretary of Defense Clements stated:

United States policy in the Middle East, as the President has said, is neither pro-Arab nor pro-Israel, but pro-peace.

No one can actually believe, not even Clements, that providing \$2.2 billion in arms to Israel—all or much of it an outright gift—while refusing to sell jet fighters for cash to Saudi Arabia, is neither pro-Arab nor pro-Israel.

No one can actually believe that providing \$36.5 million for Jewish refugee relief compared with \$2 million for Arab refugee relief is neither pro-Arab nor pro-Israel.

If President Nixon is going to single-handedly embark on military adventures is it too much to expect him to practice a modicum of even-handedness?

Incidentally, where now are the doves whose wings were constantly fluttering a few months ago from the floor to the rafters of this Chamber and the one across the way? They seem to have undergone a strange metamorphosis since those days when they were beating their breasts in self-proclaimed righteous horror and outrage over this country's involvement in Southeast Asia.

I am not for 1 minute defending participation in that no-win war that started with a little intervention and went on for so long and at such a horrible cost. But it has not been necessary for me to shed any dove feathers as have those self-anointed, alleged peace-lovers who mounted the battlements in October exhorting all of us to support resolutions and otherwise rush headlong to participate in yet another war—heedless of the consequences and heedless of the lessons of the past.

Mr. Chairman, on October 17, when the Petroleum Emergency Act was before the House and the Middle East war was still in progress, I stood here in the well and said this:

I predict that our supplies of fuel from the Middle East whether they come through the refineries of Europe or direct from the Middle East, are going to be reduced and we are going to pay right through the nose for every gallon and every barrel of oil or the product thereof which comes to this country. Why? Because we cannot keep our big, long noses out of the affairs of other people around the world.

I do not know who is going to win the war in the Middle East, but I do know one thing for dead sure and certain—that I can name the loser. That will be the common, garden variety citizen and taxpayer of the United States of America.

Now, nearly 2 months later, let me add this: By his act of unilateral intervention in the Middle East war our internationalist President has handed the citizens of this country a costly Christmas present—a Christmas present for which they will be paying long after he leaves Pennsylvania Avenue to bask in the warmer climes of Florida or California.

Mr. Chairman, during the past year Congress has been yelping at the top of its collective lungs about recapturing its delegated powers and thus assert its role as a coequal branch of Government. That is what the fight over impoundment and the war powers legislation was all about.

Having marched up the Hill to attack Executive power, this bill greases the skids for a quick retreat. Read the second sentence of section 3 of this bill. It gives the President the unadulterated right to use \$2.2 billion for aid to Israel

on whatever terms and conditions he wishes.

As if that were not enough, turn to section 4. In plain, unvarnished English it provides that if any of this money starts out as loans, the President can convert them to grants—gifts—before the end of next June.

Let us hear three big cheers right now from those who have professed so much worry about the erosion of the powers of Congress.

Then there is a little window dressing inserted by the Foreign Affairs Committee that the President can hold back—impound—\$700 million until he alone determines it is in the national interest to use it. These are weasel words and do less than nothing to restrict this broad delegation of power and authority to the President.

In short, there never was a worse congressional abdication of control over the public purse than this.

Last but not least, how does this \$2.2 billion fit into the President's budget which he charges is constantly being exceeded by Congress? One witness read a reassuring statement from the Office of Management and Budget that "this legislation will not force the executive branch to reduce or impound any funds previously requested for other Federal programs."

How sweet it is to have those words. One can only wonder how much more loose change to the tune of \$2.2 billion is floating around that can be used to finance other programs without exceeding what the President proclaimed as his "tight" budget for the current fiscal year.

When Members receive hot letters from cold constituents they should tell them that Congress is simply restoring the balance of power in the Middle East. It should give them great comfort. What with the gasoline shortage, they may even welcome you home—permanently.

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

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

Mr. HAYS. Mr. Chairman, I thought somebody ought to remind the gentleman that in the regular foreign aid bill—and may I say that I voted against it—there is \$81 million for six Arab nations, so I just thought the House ought to know, in view of the gentleman's speech, that we are on both sides in this war, arming both sides so they can keep the thing going.

Mr. GROSS. It has become fashionable for this country to practice duplicity. That is why I said the precedent was already created. Why did we not sell Saudi Arabia Phantom jets while we were giving them to Israel?

Mr. HAYS. We gave assistance to Saudi Arabia.

Mr. GROSS. We would still have Arabian oil to operate on.

Mr. HAYS. We will sell them if they want them, not give them to them, but that is what we did in the regular bill.

Mr. GROSS. But in this case we are giving Israel \$2,200,000,000, when they are already in hock to us. Israel is already in debt to the United States for a billion dollars.

Mr. WYLIE. Mr. Chairman, one of the most complex and vexing issues to confront the world today is the lingering dispute between the Arab nations and the State of Israel over which of these people shall claim the land of Palestine as their national home. It is a tragic dispute, for both the Palestinian Arabs and the Jews of Israel are able to support their claims to Palestine with historical, legal, moral, and religious precedents which they each believe to be right. It is tragic because they are both right, and they are both wrong, and they both have suffered the ultimate frustration of resorting to armed force to secure their concept of justice.

I have not risen to praise or denounce either the Arabs or the Israelis, nor to offer a brief in defense of past actions, nor to act as advocate as though this were a court of law. I have risen to offer what I earnestly believe to be a reasonable encouragement to Arab and Israeli alike to resolve their differences and find an accommodation under which they both may survive. My proposal, if it may be called that, is not a formula for peace nor a detailed plan to resolve all the problems. It is, instead, a gesture of encouragement which I hope would send the Israelis and the Arabs to the peace talks scheduled to be held shortly in Geneva with a concise understanding that the United States does not support the use of war to settle differences between nations.

My proposal requires that I oppose the current bill before the House, the bill which would provide \$2.2 billion for the State of Israel. I am in opposition to providing military assistance, as my voting record will attest, because I do not believe the way to a peaceful resolution of conflict is through the continual rearming of nations at war. This was my purpose in supporting an amendment to the Export-Import Bank legislation during my first term which prohibited the making of a loan for the purchase of arms. This is why I have voted against the Foreign Military Assistance bills. It appears to me that the best hope for peace in the Middle East is the direct display of peaceful intentions, not the belligerent show of strength inherent in an arms race. For the United States to become directly involved in an arms race in the Middle East, and our providing more weapons to either or both sides at this time amounts to a direct involvement, is incongruous with the stated principles of this Nation that the world should live at peace.

I appreciate Israel's plight, surrounded as it is by hostile neighbors, and I appreciate the Israeli hunger for a future of peace and an end to war. I also appreciate the frustration and fears of the Arab peoples and their search for modernity and respectability among the family of nations. I also know that the sentiment in favor of this bill today in the House of Representatives probably mirrors the sentiment of my own constituents of the 15th District of Ohio. By opposing the bill, I do not denigrate that sentiment, but, I believe, support it.

The Israeli Minister of Defense, Mr. Moshe Dayan, was quoted as saying on

December 9, 1973, that Israel has never been stronger than it is today. If that is true, and I have no reason to doubt the Minister of Defense of Israel, then why should the United States add to that feeling of strength by providing a gift of \$2 billion worth of weapons? With each increase of Israeli might, there is a corresponding decrease in the chances for a peaceful settlement, because both the Arabs and the Israelis know that if their efforts at Geneva should founder or stall they can always return to the battlefield. More battles, more war in the Middle East, will cause more destruction, more interrupted lives, more maimed bodies, more deaths, more empty chairs in the family circle. Let the Israelis and the Arabs go to Geneva, to the peace conference arranged through the good offices of the United States, knowing that there will be no more weapons, no more arms races, to which they can turn when conflict clouds their deliberations. The United States should stop fueling the engines of war. The United States should continue what we have begun in Geneva, the peaceful settlement of conflict through discourse and compromise. Hope for peace is in Geneva, not along the cease-fire lines.

Israel has every right to exist, and I support that right. But I wonder how long Israel can exist if it is in a perpetual state of war. Can Israel afford endless war? Can it afford to send its young people and its treasure off to battle every 5 or 10 years? I would suggest that if the United States is the friend of Israel, then we should stop supplying the means for Israel's suicide. Knowing that they cannot rely upon the threat of an increasing military capacity, perhaps both the Arabs and the Israelis will talk more seriously and concentrate upon the search for peace in the Geneva negotiations. I simply cannot in good conscious vote to give any country \$2.2 billion to buy arms.

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

Mr. Chairman, I take this time to pose a question to my good friend, the distinguished chairman of the committee, Dr. MORGAN.

I would ask the gentleman if he or any members of the committee have at any time considered the possibility that this legislation poses a constitutional question regarding a violation of the doctrine of separation of church and state as expressed in the first amendment of the U.S. Constitution.

Mr. MORGAN. No. I do not think the committee ought to consider that. There was never any discussion in that area, to my knowledge.

Mr. RARICK. Mr. Chairman, I will remind the gentleman that the first amendment reads:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

Mr. MORGAN. Mr. Chairman, we are not giving this assistance to a religion; we are giving it to a foreign, friendly state.

Mr. RARICK. This is the problem that I feel is posed.

The status of Israel is a matter of interpretation, of course.

Mr. MORGAN. We are in no way giving this money or granting these arms to a religion. Israel is a state; it is a nation; it is a member of the world community.

Mr. RARICK. Is the gentleman's interpretation that Israel is not a religious state?

Mr. MORGAN. Well, not any more than England or some other country is a religious state, no.

I would say again that Israel is a member of the world community. It is a state; it is a nation.

Mr. RARICK. Of course, the problem is that there have not yet been any lawsuits filed on this issue.

Coming to the interpretation of whether or not this is the establishment of a religion, I might remind the members of the committee that recently here in Washington, D.C., several Federal judges have ruled that taxpayers' funds could not be used to place a nativity scene on the ellipse in celebration of Christmas. Other judicial decisions concerning separation of church and state under the first amendment have forbidden prayer by children in public schools. Allowing this bill to pass without even considering the constitutional ramifications certainly creates a strange double standard as concerns the American people and relations between themselves as compared to their relations with foreigners concerning the establishment of religions.

Mr. Chairman, I thank the gentleman very much for his response.

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

Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico (Mr. RUNNELS) for 10 minutes.

Mr. RUNNELS. Mr. Chairman, there are two things in this bill that flash lights and ring bells—blank checks and slush funds. I feel that a full discussion is absolutely necessary so the American taxpayers can read and judge for themselves the considerations and votes on this measure.

Part of what I have to say has been said thousands of times on this floor. This is one place where I believe conviction means something and I am impressed with the many Members who do not waiver on this score. My topics are loose funds in the Government bin, abdication of power, and manipulation of funds. Almost everyone has used or read these words in a speech at one time or another. There are many quotations I think are appropriate. I will not take the time to cite commentators of the press or quotable quotes from taxpayers' letters. The CONGRESSIONAL RECORD will do.

First, as I read the committee report, page 7, there is to be an estimated outlay of only \$600 million in fiscal year 1974 which will come out of the \$2.2 billion. The rest will come in succeeding years, it



says. I ask, are we passing on something that will become a form of carryover of an unobligated balance from a prior year? If \$600 million is all that is needed for expenditures in fiscal year 1974, then why are we talking about \$2.2 billion? Why are we not talking about \$600 million? Why do we not review the \$1.6 left during next year's appropriations effort when the figures are current?

I hope the Members will remember all of the howling and screaming a couple of weeks ago about carryovers and unobligated funds. A favorite description was "slush funds." If you have forgotten here are a couple of quotes.

On page 38828 of the CONGRESSIONAL RECORD it says:

We can never have true congressional control over military spending as long as we allow the Department of Defense 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.

On that same day it was stated on page 38829 that "we have given them carte blanche, one might say" and although the billion talked about was a large amount, we were told it was a "slush fund" or a kitty just for the asking.

Another page, 38838, says—

Will we next see more of the \$10 billion of unobligated funds in the bill put to work for America's involvement in Vietnam?

Well, if you are worried about a pipeline of money to Vietnam, you had better take a second look at this bill. Buried in the language is a potential \$2.2 billion blank check to not only the President but to DOD for the reimbursement of appropriations, accounts, and funds for the value of articles and services sent to Israel. I ask who in Congress has absolute assurance that this reimbursed money will not end up, as one Member put it, in a fancy new F-5E with a hot Vietnamese pilot blowing 671 gallons of gas to bomb yet another village? I do not want to shiver in the dark this winter and I would suggest that if these Members want to stick to their convictions they will not vote for this slush fund either.

Next, I have trouble understanding who has got what and where is it going? Just for starters, the \$600 million outlay seems like an awfully low amount and does not even sound reasonable. The testimony in the hearings expresses concern over the fact that Israel does not have the cash to cover an obligation to pay \$1 billion in the February-March time frame. There is also a matter of \$500 million worth covering cash sales prior to October 6, 1973. No one has said where the cash will come from other than from this bill. In fact it has been said that it will come from this bill. That totals \$1.5 billion which will be an outlay in fiscal year 1974 as I read it. And if I read the provisions of the bill correctly, the money will end up in DOD's pocket for the reimbursement of goods and services sold. Deputy Secretary of Defense Clements just as much as said so when he testified, and I will paraphrase, "If Israel defaults on the cash sales, the

U.S. military departments may not be reimbursed." He is no doubt referring to the \$1.5 billion of cash sales made around October 1973.

I think either we have not yet obtained all of the facts we need to make a sensible decision or we are being sweet talked, hoodwinked, and gobble-de-gooked right out of our purse strings under the cover of aid to Israel.

At first we were told that we must provide a billion for arms already sold and shipped and for which Israel cannot pay. Then the President says we need another billion besides—but as I see it, this extra billion amounts to a giant contingency fund not supported by actual facts and figures, but rather, hazy estimates. The Deputy Secretary of Defense said we may be confronted with another bill for \$3 billion. The Deputy Secretary of State said that the Israelis have approached us and suggested they may need \$500 million a year—year after year—and we are studying the matter. Not much is being said of the outstanding debt on credit sales before October 6 in the amount of \$1.2 billion.

The \$2.2 billion looks piddley compared to these amounts thrown around. Setting a precedent with this bill, with this magnitude of potential cost overrun is not what I call appropriate—particularly with regard to the lack of congressional oversight of billions flowing every which way.

Although I am one who supports the theory that we should provide assistance to Israel, I cannot agree with the methods contained in this bill. I am not even bothering to propose an amendment because under the circumstances there is nowhere to begin—and it does not look like the bill is needed in the first place.

Whether this bill passes or not, laws already on the books provide ample authorization to give needed assistance to Israel provided the appropriations are available.

We have the Jackson amendment to the Foreign Assistance Act of 1971 which authorizes unlimited assistance in this kind of situation. Under the amendment, which is in force till 1975, the assistance is authorized through credit sales and the President has the power to extend such credit in any shape, manner or form he chooses. Surely he can find a satisfactory credit arrangement that will ease Israel's acute economic burden. And I can see no objection to a simple conversion of the cash sales in question to a credit transaction.

There is one other matter I would like to take up. The committee has amended the bill directing the Secretary of Defense to study doctrine, tactics, assess arms effectiveness, compare U.S. arms with those of other major nations, consider program unit costs, and report to Congress.

I consider this amendment a direct affront to the committees and those Members in the House and the Senate concerned with the annual examination of the Defense Establishment. Nearly a month ago the Armed Services Committee started an examination of these very subjects. The committee did not ask the Secretary of Defense to do its work nor

was there a law required to get the work started. Twenty-one Members have already been to the Mideast to get a first hand observation and discussion of these matters and the investigation is continuing. To do less would amount to a shirking of committee responsibilities to the Congress and the taxpayer. I feel that the amendment in this bill is redundant and it seems nothing more than window-dressing hastily tacked on at the last minute.

SEC. 2. In addition to such amounts as may be otherwise authorized to be appropriated to the President for security assistance for the fiscal year 1974, there are hereby authorized to be appropriated to the President not to exceed \$2,220,000,000 for emergency military assistance or foreign military sales credits, or for both as the President may determine, for Israel, and not to exceed \$200,000,000 for emergency military assistance for Cambodia.

#### COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 2, beginning in line 1, strike out "and not to exceed \$200,000,000 for emergency military assistance for Cambodia." and insert in lieu thereof the following: "of which sum amounts in excess of \$1,500,000,000 may be used pursuant to this section or section 4 of this Act only if the President (1) determines it to be important to our national interest that Israel receive assistance hereunder exceeding \$1,500,000,000, and (2) reports to Congress each such determination (if more than one) at least twenty days prior to date on which funds are obligated or expended under this Act in excess of such \$1,500,000,000 limitation. The twenty-day requirement contained in the preceding sentence shall not apply if hostilities are renewed in the Middle East. The President shall include in his report the amount of funds to be used pursuant to the determination, the terms of the additional assistance under section 2 or section 4, and the justification for the determination. All information contained in the justification shall be public information except to the extent that the President concludes that publication would be incompatible with the security interests of the United States."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. Military assistance furnished out of funds appropriated under section 2 of this Act shall be furnished in accordance with all of the provisions applicable to military assistance under the Foreign Assistance Act of 1961 (75 Stat. 422; Public Law 87-195), as amended. Foreign military sales credits extended to Israel out of such funds shall be provided on such terms and conditions as the President may determine and without regard to the provisions of the Foreign Military Sales Act (82 Stat. 1320; Public Law 90-629), as amended.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The Clerk read the remainder of the bill as follows:

SEC. 4. At any time prior to June 30, 1974, the President is hereby authorized, within the limits of funds appropriated under sec-

tion 2 of this Act for Israel, to release Israel from its contractual liability to pay for defense articles and defense services purchased or financed under the said Foreign Military Sale Act or under this Act during the period beginning October 6, 1973, and ending June 30, 1974, and such funds shall be used to reimburse current applicable appropriations, funds, and accounts of the Department of Defense for the value of such defense articles and defense services.

#### COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report to the committee amendment.

The Clerk read as follows:

On page 2, immediately after line 23, insert the following:

"Sec. 5. The Secretary of Defense shall conduct a study of the 1973 Arab-Israeli conflict to ascertain the effectiveness of the foreign military assistance program as it relates to the Middle East conflict, including weapons that the United States is providing to Israel through foreign assistance programs, and to compare them to the effectiveness of the weapons which the Soviet Union is providing to the Arab states. In conducting such study and submitting such report, the Secretary shall take care not to disclose, directly or indirectly, intelligence sources or methods or confidential information received from any other nation. A report of the conclusions of such study shall be submitted to the Congress as soon as practical and in any case not later than December 31, 1974.

"Sec. 6. Of the funds appropriated pursuant to section 2, the President may use such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations Emergency Force in the Middle East as apportioned by the United Nations in accordance with Article 17 of the United Nations Charter."

The committee amendment was agreed to.

#### AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 4, after line 10, add the following:

"Sec. 7. Notwithstanding any other provision of this Act, none of the funds authorized to be appropriated under section 2 of this Act shall be available for use as provided in this Act until the President determines and certifies to the Congress, in writing, that current energy supplies available for use to meet current energy needs of the United States have been restored to the level of such supplies so available on October 5, 1973."

#### POINT OF ORDER

Mr. MORGAN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GROSS. Why does the gentleman not go ahead and make it? I do not want to waste any energy. If the gentleman is going to make a point of order, let him make it.

The CHAIRMAN. Does the gentleman from Pennsylvania insist on his point of order?

Mr. MORGAN. I do, Mr. Chairman. Mr. Chairman, I make a point of order against the amendment in that it deals with a subject that is not germane to the bill. As a matter of fact, it deals with an energy crisis in an emergency situation.

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

Mr. GROSS. No, Mr. Chairman, I do

not wish to be heard on the point of order. I do not accede to it.

The CHAIRMAN (Mr. MURPHY of New York). The Chair sustains the point of order because the amendment would make the authority contained in the bill dependent on an unrelated contingency.

#### AMENDMENT OFFERED BY MR. FINDLEY

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

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 4, after line 10, add a new Section 7 to read as follows:

"Sec. 7. In addition to the maintenance of the balance of military power in the Middle East, the military assistance authorized herein for Israel is intended to support the implementation of United Nations Security Council Resolution 242 (1967) and United Nations Security Council Resolution 338 (1973)."

Mr. FINDLEY. Mr. Chairman, this bill I feel deserves careful examination for a number of reasons, but the great fundamental flaw is the absence of even a single word which shows recognition on the part of the Congress that Arab States, as well as Israel, have legitimate interests at stake.

My proposal for correcting the defect is a modest one: Include language which refers favorably to United Nations Resolution 242 of 1967, and the supportive U.N. resolution 338 of this year is a balanced thoughtful resolution still strongly supported by the United States and all other major powers. It calls upon Israel as well as the Arab States to accept certain principles as the basis for a peaceful settlement.

The amendment—printed in the committee report on page 13—would not reduce by one penny the financial and military assistance for Israel authorized by this act. It would not extend financial or military assistance in any form to any Arab State. But it would do something vitally important: It would place the prestige of the House of Representatives behind fairness and evenhandedness as the basis for our Middle East policy.

True, the bill as reported says nothing about policy. It is nevertheless thunderous as a policy document. It supports explicitly and implicitly only the military interests of Israel. It contemplates only a military solution to the problem.

Israel of course has interests which the United States should support, and for that reason I voted to report this bill. But so do other parties to the recent military conflict; namely, Egypt and Jordan, with which we have diplomatic relations, and Syria, with which we do not.

Testimony before the committee disclosed that, except for a few minor commando actions, all the fighting in October occurred on Arab land occupied by Israel since 1967. The chairman of the U.S. Joint Chiefs of Staff, Adm. Thomas Moorer, testified that he had no reason to believe the Arab States had military objectives in October extending beyond the recovery of these occupied lands. American intelligence reported that the Egyptian battle plan called for stopping

at the June 1967 borders and for not pressing the attack into Israel.

Two Presidents have recognized and supported the interests of Arab States, as well as Israel, by sponsoring and steadfastly supporting United Nations Security Council Resolution 242 in 1967 and Security Council Resolution 338 this year. Just 2 weeks ago Secretary of State Kissinger restated U.S. support for these two resolutions:

The United States has committed itself, in Security Council Resolution 338, to support the implementation of Security Council Resolution 242 in all of its parts.

He went on to say:

We hope that Israel, as well as the Arab countries, will recognize that one of the clear consequences of recent events is that a purely military solution to the problems of the Middle East is impossible . . .

This bill is silent on nonmilitary solutions and Arab interests. It is advanced as necessary to "maintain the balance of power" in the Middle East, but Arab States could understandably interpret it as a bill to help maintain only the occupation of Arab lands.

The House should amend the bill in order to avoid such a misinterpretation. It should explicitly endorse the wise initiative toward a peaceful settlement of the Middle East conflict which two Presidents have advanced. The amendment I offered in committee will provide badly needed balance to this bill.

My amendment, which I will offer in the House, states:

In addition to the maintenance of the balance of military power in the Middle East, the Military Assistance authorized herein for Israel is intended to support the implementation of United Nations Security Council Resolution 242 (1967) and United Nations Security Council Resolution 338 (1973).

My amendment will provide needed balance. It will do no harm to the interests of Israel. Indeed, it should help the negotiating position of our diplomats and thus enhance the possibility that this massive provision of military assistance will actually become a powerful force for a just peace.

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

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

Mr. ZABLOCKI. The two United Nations Security Council resolutions which the gentleman mentions in his amendment have for years been the policy of the United States; is that not true?

Mr. FINDLEY. That is certainly true of the executive branch but unfortunately to this moment the Congress has never stated its own position in regard to U.N. Resolution 242.

Mr. ZABLOCKI. I join the gentleman from Illinois in his efforts to bring balance to the bill. It is my sincere hope the members of the committee will support the amendment.

Mr. FINDLEY. I thank the gentleman from Wisconsin very much.

LEY was allowed to proceed for 2 additional minutes.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. ICHORD, Mr. FINDLEY was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, I rise



to commend the gentleman from Illinois for offering this amendment. As the gentleman from Wisconsin has stated, it will bring balance to the bill.

The war between the Arabs and the Israelis is an enormously complex controversy. It is going to be extremely difficult to obtain a just and lasting peace. But it is to the interests of not only the United States, but the entire world, that peace be obtained in the Mideast, because the closing of the Suez Canal, for example, in my opinion stands as a monument to the stupidity of man; but if a peace is to be reached, it must be reached within the framework of resolution 242 of the United Nations.

I would hope that the chairman of the committee will accept the amendment of the gentleman from Illinois. I commend him for his offering it.

Mr. FINDLEY. I thank the gentleman very much.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the amendment. A few minutes ago the gentleman from Illinois and I had a brief discussion regarding the language which in his mind would make this bill more balanced. The thing that disturbs me is the fact that the gentleman seems to be trying to write legislative history to indicate, without the language he is now proposing, that in some way we were intentionally trying to slap the Arabs. He says the Arabs might interpret U.S. assistance to Israel as being provided only on the basis of a continuing occupation by Israel of the Arab lands.

I can see no justification for such a contention or belief on the part of anyone, including the gentleman from Illinois. He says that the fundamental flaw in the language of the bill as written is its failure to recognize that the Arabs have legitimate interests. How could he possibly justify a contention that we Members of Congress do not recognize that the Arabs have legitimate interests in the area? I would think a child must know the Arabs have legitimate interests.

The fact that we are providing assistance to Israel should not by any stretch of the imagination be considered as an indication that we do not think the Arabs have any rights.

What the gentleman seems to be saying is that the language of Resolution 242 will give a pro-Arab flavor to what we are doing.

As the gentleman indicated earlier, I do not think this should be interpreted as an anti-Arab move in any sense. Necessity compels us to restore the military balance in the Middle East.

I, myself, think it is entirely unfounded to suggest that we are going around bankrolling wars as the gentleman from Iowa has just claimed.

I think it is even more untenable to charge, as the gentleman from Ohio (Mr. HAYS) just did, that we are arming both sides to keep this thing going.

I do not snicker at our administration officials who say that our objective is peace. Our objective is peace. Our objective in this bill, though obviously providing assistance to only one side, is not to encourage war, but to develop conditions that will produce peace.

The fact that there is no reference to Resolution 242 in the bill should not be considered, unless we make it so, a repudiation of the principles of Resolution 242.

As the gentleman from Illinois himself suggested, the fact that Israel supported the U.N. Resolution 242 indicates that it can be read almost any way anyone wants to read it.

What does this resolution say? It says that we are interested in the establishment of a just and lasting peace. Of course, we are. It says that we are interested in fair and recognized boundaries, free from threats or acts of force.

Of course we are. But to some extent the wording and the language of Resolution 242 is out of date. What we should be concerned with is the practical situation in which the countries of the Middle East find themselves.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to finish, and I do have 5 minutes. If I have the time, I shall be glad to yield.

If, in the course of negotiations, all the participants recognize the continued validity of Resolution 242, more power to them. All I am saying is, this amendment provides no balance; it does not provide a pro-Arab bias regarding what we are doing nor will it prevent us from being considered anti-Arab, because we are aiding Israel.

The gentleman says it does not reduce the amount we are giving Israel. That is the point; it is already well known in the Arab world that the President would like to provide aid and the expectation is that Congress will provide it. So I would suggest that we are not doing any good by incorporating this language, and it could complicate the situation.

Mr. FINDLEY. Mr. Chairman, the gentleman very conveniently refrained from referring to a very important item in the United Nations Resolution 242 which states,

Withdrawal of Israeli Armed Forces from territory occupied in recent conflicts.

Mr. FRELINGHUYSEN. Mr. Chairman, I did not very conveniently fail to recognize that language; it was the lack of time. In fact, I specifically recognized that language in my previous remarks. Of course, there is recognition on the part of this country and Israel that there be an adjustment of territory.

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

Mr. Chairman, the basic imbalance in this situation is a result of imbalance in the past. The gentleman from New Jersey is quite correct that the amendment offered by the gentleman from Illinois will not correct that imbalance. On the other hand, it is very difficult for me to see why anybody should object to this amendment.

It is very true that it does very little. As the gentleman from Illinois says, it does not hurt the Israelis or hurt anybody. Actually, all it is, is a sort of an expression of congressional intent.

But, I think in that fashion it is important because what it says, in effect, is that although we are trying to maintain

that military balance in the Mid East, we are doing it as a step in maintaining peace and we are doing it in the recognition and with the intent that in the end we want a just and balanced peace, something beyond a mere maintaining of military balance.

If we vote against that amendment, it seems to me that in effect we are saying that all we are interested in is a military balance; that we are not concerned with going ahead and arriving at the type of peace which Resolution 242 envisages. I think that is what the gentleman from Illinois is trying to do, and I cannot see any possible harm in adopting the amendment, and much good may flow from it.

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

Mr. DENNIS. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for his words and support. I would like to take this opportunity to respond to something the gentleman from New Jersey said. He indicated that my amendment was intended to give a pro-Arab flavor to the bill, or that the amendment has a pro-Arab flavor. Nothing could be further from the truth, and an examination of the amendment and United Nations Resolution 242 will show that.

Furthermore, the gentleman from New Jersey has stated his personal support for United Nations Resolution 242, so I am at a loss to understand why there should be any objection on his part or on the part of anyone else to including this very beneficial balanced language.

Mr. DENNIS. Mr. Chairman, neither the gentleman from Illinois nor the gentleman from Indiana wants to give a pro anybody flavor. We are interested in even handed justice.

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

Mr. Chairman, I rise to discuss the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

I had not planned to take part in the discussion on this bill. However, I think it is time that some of us stand up and let it be known to the Members of this body what we learned on the trip that the Committee on Armed Services took to Israel and Egypt recently.

We met in Israel with General Dayan and received a briefing from him about the war. We met with their economic advisers. We met with Mrs. Meir for an hour and a half, and the war and economic situation was discussed very thoroughly and frankly.

We saw firsthand the captured Russian materials that were in Israeli hands. We went to the front at the Suez Canal and viewed the territory that was held by the Israelis on the Egyptian side of the canal. And while in Egypt we traveled to and crossed the Suez Canal to the Egyptian front.

While in Israel we were told of the economic hardships that are now being brought upon the State of Israel and the losses that were sustained by their people in men and materials. We were told that approximately 60,000 immigrants are

coming into that nation every year and is costing \$40,000 per family to relocate.

Mr. Chairman, I do not know what part of our assistance goes for the settlement of people of the Jewish race in Israel, but I am wondering if it is the position of the citizens of our country that our taxpayers should be called upon to provide assistance for the relocation of a race of people in peripatetic.

I want it clearly understood that I have no animosity toward the Jewish people of this country or the Nation of Israel or toward the Arabic people of this country of Egypt.

To continue conveying my observations on our trip to the Mideast, we then proceeded to Egypt, and we met with President Sadat for 1½ hours, and the very question was asked that the gentleman from Illinois (Mr. FINDLEY) brought out in his amendment.

He said, "Why are you Americans furnishing weaponry and not only taxing your people to give them this weaponry but to sell them this weaponry to kill Egyptian people when we have been your friends for years?"

And they also asked us at the same time, "Why are you loaning and giving \$2.2 billion to Israel, in order to kill Egyptian people?"

Honestly, it was difficult to reply to this question.

President Sadat said that the Sinai had belonged to the Egyptian people for 7,000 years, and they intended to take it back.

He said, "You are always worrying about the protection of the Israelis. What about the protection of the Egyptian people? We, too, would like to have some type of protection and guarantee."

Then the thought was brought out: Why not have a buffer zone as called for under U.N. section 242? However, the U.N. forces have not been able to enforce or guarantee any buffer zone for either side as long as the Russians continue their aggression in all parts of the world.

Mr. Chairman, in my opinion, the U.N., in the Middle East, with regard to this war, is a joke. We observed a U.N. man standing there with a gun, and he could not have turned back anybody or enforced anything. It is a tribunal that sits there, and it is a farce, in my estimation. Both sides, Egyptians, Syrians, and Israelis, can push them aside immediately if they want to move tomorrow, and the U.N. would not make one iota of difference.

Why do we not try to settle the problem with all countries involved? Both countries say, "Yes, we want peace," and then they say, "We want peace, but we want arms to carry out this peace."

The CHAIRMAN. The time of the gentleman has expired.

(Mr. PRICE of Texas, by unanimous consent, was allowed to proceed for 2 additional minutes.)

Mr. PRICE of Texas. I yield to the gentleman from Pennsylvania for a question.

Mr. MORGAN. I wonder whether any member of the Armed Services Committee that was over there asked President Sadat where he got the SAM-2, SAM-3,

SAM-6, and SAM-7 missiles, and SCUD missiles, and Frog missiles, and Sagger antitank missiles, and T-62 tanks, and Mig-21 jet fighter planes and a lot of other military equipment and under what terms?

Mr. PRICE of Texas. They bought them from Russia and said they would be glad to buy the F-4's from us if we would sell them to them.

Mr. MORGAN. Does the gentleman think they bought them?

Mr. PRICE of Texas. All I know is what the gentleman told us. I am not tied to any position. I was a young man in 1947 and I was not in the Government at that time. I am not arguing for or against either side but trying to discuss it so that hopefully we can make a decision on the matter on the merits.

Mr. MORGAN. I am sure that in the Armed Services Committee, the gentleman was told about the amount of tonnage of military equipment the Soviets sent into Syria and Egypt before the October hostilities, and again after the hostilities began, as compared to what we have furnished to Israel. It was a much greater tonnage of arms than what we sent to Israel as replacement for war losses. I am sure the gentleman realizes that Israel has an economy that is at least twice as developed as the economy of Egypt, so it is difficult to imagine how Egypt could possibly have paid for those arms.

Mr. PRICE of Texas. According to the figures presented to me, the Russians shipped 15,000 tons over a period of days and we shipped 14,800 tons over a period of time.

Mr. MORGAN. I am talking about the whole period since the start of the war.

Mr. PRICE of Texas. I agree with the gentleman. President Sadat said that the \$2.2 billion of course, will be taken as an affront to the Egyptian people. Of course they are going to take it as an affront. I would do so and so would you. But I am saying that we are not going to help solve the Middle East problem if we keep pumping more money and pumping more equipment in there. We do realize that perhaps the overall problem is really between Russia and ourselves aside from the Israeli-Arabic war.

Mr. WOLFF. Will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman.

Mr. WOLFF. Can the gentleman tell me on what side the Arab nations were in World War II and on what side they were in World War I?

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I hope to return this debate to the amendment before us. Basically I rise in opposition to the amendment. I think it is superfluous to the bill before us.

I have just discussed the matter with the gentleman from Illinois (Mr. FINDLEY) and I do not think this amendment does a disservice to the measure, but I do not believe it adds anything, either.

The important thing is that in the next week negotiations will take place in

Geneva. The bill before us is a practical recognition of the fact that one of the ways in which we hope to keep the peace is to maintain a legitimate military balance there. That is the basic intention of this proposal before us.

Calling for compliance with Resolution 242 again, I say, does not perform a disservice, but there is hardly anyone in the United Nations who agrees on exactly what Resolution 242 means. I believe at this point, outside of being a momentous number in history—at least in the history of the United Nations—Resolution 242 will be rendered obsolete at the start of peace negotiations approximately a week from now in Geneva.

As I understand the issue before us, it is possible for the military balance to be maintained so that peace will be maintained during the course of what will be long, delicate, frustrating but eventually, we hope, successful peace negotiations.

I am not aware of anyone who wants a new outbreak of hostilities in the Middle East. I look upon this basic bill as an investment in peace in the Middle East. Since it does not add a needed feature, I would suggest we reject the amendment.

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

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I realize that the gentleman from Illinois regards this as a very modest and ineffective amendment, but I want to point out that others do not so view it.

For example, former U.N. Ambassador Charles Yost read the language of the amendment, and he said, "I strongly support it." He said, "I think it ought to be written into the bill."

People from the Arab States not only in this country, but elsewhere, view resolution 242 as a significant statement of U.N. policy. It does have importance and value in their eyes. And if for no other reason, the Congress ought to seize this opportunity to support this.

Mr. DERWINSKI. I still do not believe that proves that this particular amendment deserves support at the present time. I do not see the point in further cluttering up the bill.

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

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

Mr. FASCELL. Will the gentleman agree that the timing of this particular amendment is of great significance? Here is a U.N. resolution which has been on the statute books since the last war, renewed in October of 1973. This has been accepted as U.S. policy, enunciated by the President, and voted on by the United States in the U.N. Now the gentleman says let us have the Congress put its stamp of approval into the bill. I think that this is interjecting an entirely new element in this bill. We have come here to talk about authorizations for funds for helping Israel, and to inject a U.N. resolution dealing with a certain policy I think puts an entirely new light on the problem. Obviously it can only be interpreted to mean something in terms



of pending negotiations and thus would be dangerous to adopt at this particular moment. The timing of the effort of the gentleman from Illinois is what gives this amendment on unfortunate interpretation. It can be read as a U.S. effort to pressure the pending negotiations differently from that already established. And the meaning of the U.N. resolutions can only be determined by the negotiations.

Does not the gentleman agree that putting this amendment in this bill at this time could give it an erroneous interpretation even though unintended?

Mr. DERWINSKI. I agree with the gentleman from Florida, and may I say frankly that humility requires me to admit that the gentleman from Florida has made the argument much better than I did myself.

I again suggest that we defeat this amendment.

Mr. SMITH of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, the gentleman from Illinois in his supplemental views says that this would do something vitally important, and I agree with the gentleman. It would place the prestige of the House of Representatives behind fairness and evenhandedness as the basis for our Middle East policy.

Mr. Chairman, I would like to ask the gentleman from Illinois (Mr. FINDLEY) a question, and that is has the committee talked to Secretary of State Dr. Kissinger in regard to similar language?

Mr. FINDLEY. Mr. Chairman, if the gentleman will yield, shortly after this bill was introduced by the gentleman from Pennsylvania (Mr. MORGAN) Henry Kissinger appeared before our Committee on Foreign Affairs here in the Capitol Office, and in response to a question I raised he said:

I have no objection to this bill being amended by including language which would state the support of the Congress for U.N. Resolution 242.

#### POINT OF ORDER

Mr. MORGAN. Mr. Chairman, a point of order. I believe the gentleman from Illinois is quoting a remark which may have been made, or may not have been made, in executive session.

Mr. FINDLEY. Mr. Chairman, if I have violated a rule of the House I certainly apologize. I will say that he certainly did not qualify by any secrecy known to me his views on this.

I was asking him for his position on an amendment to a bill which is very public in its character. I will add further that shortly before this I had one of these rare opportunities to be in the Oval Room, and the President told me of his own personal support for the terms of U.N. Resolution 242. So support of U.N. Resolution 242 is obviously something that the administration is not at least ashamed of, and I hope the gentleman will not press his point of order.

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

Mr. SMITH of New York. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

I should like to take the time to ask the gentleman, was not this amendment brought up in committee, and was it not defeated in committee?

Mr. FINDLEY. Yes, to my sorrow it was turned down by a very substantial vote. I regret that my lack of ability to argue its merits caused it to fail upon that occasion, but I have high hopes for today.

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

Mr. SMITH of New York. I yield to the chairman, the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I made my point. I withdraw my point of order.

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

Mr. SMITH of New York. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding.

The gentleman has suggested that in some way this language would show that Congress is interested in fairness and evenhandedness. Is there anything in the language of this bill that makes the gentleman think that we would not be interested in fairness and evenhandedness if this amendment were not included?

Mr. SMITH of New York. If I were a member of an Arab nation of the Middle East and read the bill, I would not think this body was too fair and evenhanded.

I would urge this committee to adopt the amendment.

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

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

Mr. Chairman, I rise in behalf of the amendment of the gentleman from Illinois. Let me say that I cannot understand how the committee can possibly oppose this amendment. Let me read what the amendment says:

Sec. 6. In addition to the maintenance of the balance of military power in the Middle East, the Military Assistance authorized herein for Israel is intended to support the implementation of United Nations Security Council Resolution 242 (1967) and United Nations Security Council Resolution 338 (1973).

It is true, as the gentleman from New Jersey states, there are different interpretations of United Nations Resolution 242, but both the Israelis and the Arabs have stated that they agree with the United Nations Resolution 242.

Let me state to the members of the Committee that I have the greatest respect and admiration for the Israel nation and for the courage of her soldiers. There is no doubt, as stated by the gentleman from Texas (Mr. PRICE) the war between the Arabs and the Israelis is one of quality against quantity—quality supplied in weapons by the United States of America, and quantity supplied to the Arab nations by the nation of Russia. The Israelis are using our weapons, I would state, even better, in my opinion, than we can use the weapons ourselves. The military strategy carried out by the Israelis in the recent war was daring, brave, and nothing short of brilliant.

I have the greatest respect and admiration for Israel and her soldiers and we do have a vital interest in the continuance of Israel as a nation. But, Mr. Chairman, the Israelis by the occupation of Sinai have done something for the Egyptians that no Egyptian leader has been able to do for 5,000 years: it has united the Egyptians. The Egyptians are united and they are ready and willing to die, if necessary, to regain the Sinai.

I ask the gentleman from New Jersey to answer this question. As the gentleman from Texas stated, we were repeatedly asked by President Sadat and other Egyptian leaders this question: What have we done as a nation to cause you to supply the Israelis guns and ammunition to kill our innocent women and children and to occupy our land? They pointed out that they were not Communists by any stretch of the imagination; that their Moslem religion precluded their ever going communistic; that many of their leaders were educated in the United States; that they had the utmost respect for our Nation and all for which it stands. This was not the easiest question for us to answer. Oh, yes, we could answer the question obliquely by saying that we were not supplying the weapons to kill Egyptians; that we were supplying the weapons to maintain a balance of power and we could also state that the Israelis could say the same thing about Russian arms. To say the least, this is a difficult question to answer to their satisfaction. What have they done to us? As the gentleman from Illinois has stated, we should have balance in the bill. We should recognize that Egypt and other Arab nations who want to be our friends do have legitimate interests.

I state to the gentleman from New Jersey that, if we are going to obtain a peace in the Middle East, it will have to be within the framework of the United Nations Resolution 242.

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

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

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(On request of Mr. FRELINGHUYSEN, and by unanimous consent, Mr. ICHORD was allowed to proceed for 2 additional minutes.)

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

Mr. Chairman, I thought the gentleman was asking me a question. All the gentleman has made me think is that perhaps some members of the Foreign Affairs Committee should have accompanied the members of the Armed Services Committee if they were not able to answer that question that the Egyptians posed.

We are not anxious to give anybody arms, and Lord knows we are not anxious to pour a substantial amount of arms into the Middle East. We are doing it because the Soviet Union and others have been pouring arms into Egypt and Syria.

Of course, there must be something other than a military effort to resolve

the difficulty. Of course, there must be a recognition of concessions on the part of both sides along the lines of Resolution 242.

Mr. ICHORD. Mr. Chairman, I decline to yield further. We are not making any interpretations of the United Nations Resolution 242. Why is the gentleman objecting to the amendment? The Israelis have said they agree with 242 and the Arabs have said they agree with 242. Why should not the Congress of the United States agree with Resolution 242?

Mr. FRELINGHUYSEN. If the gentleman is asking me a question, I am not suggesting we should not. I am suggesting the gentleman from Illinois (Mr. FINDLEY) and the gentleman and others are making a mountain out of a molehill. Nobody is suggesting because we do not have language with respect to Resolution 242 in this bill that we are somehow repudiating it. I am saying, if we want to state the U.S. position, we can do it in some way other than by adopting the weasel wording of Resolution 242—and I mean no disrespect to the U.N. by this description—but it was passed in 1967. I do not think it adds much to the prestige of the House of Representatives one way or another to support this U.N. resolution. I would suggest we vote against the amendment.

Mr. ICHORD. I would put it the other way around. I would say, if the amendment does not amount to anything, why is the committee making a mountain out of a molehill?

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

Mr. Chairman, I rise in opposition to the Findley amendment. In doing so let me also observe that of course on the Armed Services trip to the Middle East we had a lot of democracy, since obviously not all the members of that subcommittee see eye to eye on this legislation. But as long as there has been some reference to the President of Egypt (and I have some qualms as to exactly how much of that conversation we ought to discuss here) I think it should be made clear, and I speak now as just one of the members of that delegation and not in an official capacity as its chairman, that it was perfectly obvious to all of us that President Sadat's primary concern is to get back to Arab territories.

He made it clear to all of us in the discussion that that was his objective, and if that objective is achieved and peace is obtained in the Middle East, then he is not worried whether Israel gets \$2.2 billion or \$3.2 billion. His concern is to achieve peace; and although some members of our subcommittee have spoken on one side of this amendment this afternoon and other members have spoken on the other side, I feel strongly that both sides in the Middle East sincerely want peace and that there is a real opportunity to achieve peace. In my judgment this particular bill goes to the heart of achieving that peace because it will help to achieve the military balance on which any kind of effective peace must be founded.

Now with specific regard to the amendment—

ment offered by the gentleman from Illinois dealing with U.N. Resolution 242, the fact of the matter is, that this resolution, which of course we all support, actually says a great many things, as former Supreme Court Justice Arthur Goldberg said and in an article in the Washington Post on Sunday. The fact is that Resolution 242, like most good political documents, including the ceasefire agreement in the Middle East negotiated by Mr. Kissinger, contained a substantial number of ambiguities. And so the fact of the matter is that putting a reference to it in this legislation does not commit us on either side.

Actually the achievement of peace in the Middle East will depend on what the Peace Conference which convenes on the 18th of December in Geneva decides what Resolution 242 means.

I believe we would be making a very serious mistake here on this floor, when we are being presented with a simple measure directed toward one single aspect of this overall problem, the military aspect, that we should try to get into the specific details of those peace negotiations, which we simply cannot do here on the floor of this House.

The place to determine what Resolution 242 really means is in the Peace Conference. We ought to leave that business up to the participants in the Peace Conference and not try to include it in this legislation.

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

I can assure the Members of this House that there is nothing in this bill that we are considering here today that is in any way anti-Arab. There is nothing here that is anti-Arab at all.

This is not a policy bill, as many speakers have pointed out, but a bill which involves existing U.S. policy.

I hope we do not get into the writing of policies here, as the gentleman from New York said. Negotiations are going to start on the 18th of this month and here we are being confronted with a policy matter, which could certainly harm those negotiations.

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

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

Mr. KETCHUM. Did we not just exact such a policy in the trade bill a few minutes ago?

Mr. MORGAN. The gentleman did not vote for the trade bill. I am not defending what happened then. I am defending this bill.

The amendment of the gentleman from Illinois in my opinion will add more controversy to the negotiations that are going to start on the 18th.

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

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

Mr. MAILLIARD. I do not think there is any harm in the substance of the amendment; but to try to go back to a policy established by the United Nations 6 years ago when we are in a whole new ball game is just unwise.

Mr. MORGAN. Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

The question was taken and the Chair announced that the yeas appeared to have it.

#### RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 82, yeas 334, not voting 16, as follows:

[Roll No. 646]

#### AYES—82

Baker	Hansen, Wash.	Parris
Bauman	Hastings	Poage
Bennett	Heinz	Powell, Ohio
Bowen	Hicks	Price, Tex.
Burleson, Tex.	Holt	Pritchard
Burlison, Mo.	Hosmer	Rarick
Butler	Hutchinson	Roberts
Chisholm	Ichord	Roncallo, Wyo.
Cochran	Jarman	Runnels
Collier	Johnson, Colo.	Schroeder
Cronin	Jones, Okla.	Sebelius
Daniel, Robert W., Jr.	Jones, Tenn.	Shuster
Davis, Wis.	Kastenmeier	Skubitz
de la Garza	Kazen	Smith, N.Y.
Dellenback	Ketchum	Stanton
Dennis	Landrum	J. William
du Pont	Lott	Steiger, Ariz.
Edwards, Ala.	McClary	Symms
Evins, Tenn.	McCloskey	Thomson, Wis.
Findley	Mann	Treen
Flynt	Maraziti	Vander Jagt
Ford	Martin, Nebr.	Waggoner
William D.	Martin, N.C.	Whitten
Gibbons	Mayne	Wilson,
Ginn	Mazzoli	Charles H.,
Gross	Miller	Calif.
Hammer-	Mink	Zablocki
schmidt	Montgomery	Zwach
Hanna	Mosher	
	Nedzi	

#### NOES—334

Abzug	Byron	Ellberg
Adams	Camp	Esch
Addabbo	Carey, N.Y.	Eshleman
Alexander	Carney, Ohio	Evans, Colo.
Anderson,	Carter	Fascell
Calif.	Casey, Tex.	Fish
Anderson, Ill.	Cederberg	Flood
Andrews, N.C.	Chamberlain	Flowers
Andrews,	Chappell	Foley
N. Dak.	Clancy	Forsythe
Annunzio	Clark	Fountain
Archer	Clausen,	Fraser
Arends	Don H.	Frelinghuysen
Armstrong	Clawson, Del	Frenzel
Ashbrook	Clay	Frey
Ashley	Cleveland	Froehlich
Aspin	Cohen	Fulton
Badillo	Collins, Ill.	Fuqua
Bafalis	Collins, Tex.	Gaydos
Barrett	Conable	Gettys
Beard	Conlan	Gialmo
Bell	Conte	Gilman
Bergland	Conyers	Goldwater
Bevill	Corman	Gonzalez
Blaggi	Cotter	Goodling
Blester	Coughlin	Grasso
Bingham	Crane	Gray
Blackburn	Culver	Green, Oreg.
Blatnik	Daniel, Dan	Green, Pa.
Boggs	Daniels,	Griffiths
Boland	Dominick V.	Grover
Bolling	Danielson	Gubser
Brademas	Davis, Ga.	Gude
Brasco	Davis, S.C.	Gunter
Bray	Delaney	Guyer
Breaux	Dellums	Haley
Breckinridge	Denholm	Hamilton
Brinkley	Dent	Hanley
Brooks	Derwinski	Hanrahan
Broomfield	Devine	Hansen, Idaho
Brotzman	Dickinson	Harrington
Brown, Calif.	Diggs	Harsha
Brown, Mich.	Dingell	Harvey
Brown, Ohio	Donohue	Hawkins
Broyhill, N.C.	Dorn	Hays
Broyhill, Va.	Downing	Hechler, W. Va.
Buchanan	Drinan	Heckler, Mass.
Burgener	Dulski	Helstoski
Burke, Fla.	Duncan	Henderson
Burke, Mass.	Eckhardt	Hillis
Burton	Edwards, Calif.	Hinshaw



Hogan	Moss	Shriver
Holifield	Murphy, Ill.	Sikes
Holtzman	Murphy, N.Y.	Sisk
Horton	Myers	Slack
Howard	Natcher	Smith, Iowa
Huber	Nelsen	Snyder
Hudnut	Nichols	Spence
Hungate	Nix	Staggers
Johnson, Calif.	Obey	Stanton
Johnson, Pa.	O'Brien	James V.
Jones, Ala.	O'Hara	Stark
Jones, N.C.	O'Neill	Steele
Jordan	Owens	Steelman
Karsh	Passman	Steiger, Wis.
Keating	Patman	Stephens
Kemp	Patten	Stratton
King	Pepper	Stubblefield
Klucynski	Perkins	Stuckey
Koch	Pettis	Studds
Kuykendall	Peyser	Symington
Kyros	Pickle	Talcott
Landgrebe	Pike	Taylor, Mo.
Latta	Podell	Taylor, N.C.
Leggett	Preyer	Teague, Calif.
Lehman	Price, Ill.	Teague, Tex.
Lent	Quile	Thompson, N.J.
Litton	Quillen	Thone
Long, La.	Rallsback	Thornton
Long, Md.	Randall	Thieman
Lujan	Rangel	Towell, Nev.
McCollister	Rees	Udall
McCormack	Regula	Ullman
McDade	Reid	Van Deerlin
McEwen	Reuss	Vanik
McFall	Rhodes	Vigorito
McKay	Riegle	Waldie
McKinney	Rinaldo	Wampler
McSpadden	Robinson, Va.	Ware
Macdonald	Robinson, N.Y.	Whalen
Madden	Rodino	White
Madigan	Roe	Whitehurst
Mahon	Rogers	Widnall
Mailliard	Roncallo, N.Y.	Wiggins
Mallory	Rooney, Pa.	Williams
Mathias, Calif.	Rose	Wilson, Bob
Mathis, Ga.	Rosenenthal	Wilson,
Matsunaga	Rostenkowski	Charles, Tex.
Meeds	Roush	Winn
Melcher	Roussetot	Wolf
Metcalfe	Roy	Wright
Mezvinsky	Roybal	Wylder
Michel	Ruppe	Wylie
Millford	Ruth	Wyman
Minish	Ryan	Yates
Minshall, Ohio	St Germain	Yatron
Mitchell, N.Y.	Sandman	Young, Alaska
Mizell	Sarasin	Young, Fla.
Moakley	Sarbanes	Young, Ga.
Mollohan	Satterfield	Young, Ill.
Moorhead,	Scherle	Young, S.C.
Calif.	Schneebeli	Young, Tex.
Moorhead, Pa.	Seiberling	Zion
Morgan	Shipley	

## NOT VOTING—16

Abdnor	Mills, Ark.	Sullivan
Burke, Calif.	Mitchell, Md.	Veysey
Erlenborn	Rooney, N.Y.	Walsh
Fisher	Shoup	Wyatt
Hébert	Steed	
Hunt	Stokes	

So the amendment was rejected.

The result of the vote was announced as above recorded.

## AMENDMENT OFFERED BY MR. SIKES

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

The Clerk read as follows:

Amendment offered by Mr. SIKES: On page 4, after line 10, add a new Section 7:

"It is the sense of Congress that every reasonable effort be made by the President to bring about meaningful negotiations between Israel and the Arab states directly concerned leading to a treaty of peace in the Middle East and to a resumption of diplomatic and trade relations between the United States and the Arab countries, and between Israel and the Arab countries."

Mr. GROSS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. SIKES. Mr. Chairman, I ask unanimous consent that I may be permitted to speak for an additional 2 minutes.

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

There was no objection.

The CHAIRMAN. The gentleman from Florida is recognized for 7 minutes.

Mr. SIKES. Mr. Chairman, I believe this amendment is very clear. I question that it requires detailed discussion. I am hopeful that the Committee will accept the amendment.

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

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

Mr. MORGAN. Mr. Chairman, I have had some consultation with the gentleman from Florida, and if the point of order which has been reserved by the gentleman from Iowa (Mr. Gross) to the amendment offered by the gentleman from Florida (Mr. SIKES) is overruled by the Chair, then I, as the chairman of the Committee on Foreign Affairs, would accept the amendment. I think it is a good amendment.

One of the principal objectives of the bill before us is to promote lasting peace in the Middle East—peace which can only come through negotiations between Israel and the Arab countries, and which will benefit all concerned.

The amendment of the gentleman from Florida (Mr. SIKES) seeks that same objective and for that reason I would support it.

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

Mr. SIKES. I yield to the gentleman from California (Mr. MAILLIARD), the ranking minority member on the committee.

Mr. MAILLIARD. Mr. Chairman, while I have not had opportunity for consultation with all of the minority committee members, as far as I am personally concerned I am agreeable to accepting the amendment.

Mr. SIKES. Mr. Chairman, I had been disposed to try to save this time, but now that a point of order has been reserved I feel constrained to discuss the amendment, even though it has been accepted by the committee on both sides of the aisle.

Mr. Chairman, the language of the amendment is carried in the report on the appropriations bill which will follow this bill. It was overwhelmingly adopted by the Appropriations Committee.

Let me make it clear that I support the legislation now before the House. I realize that without positive help for Israel from the United States that nation would in a few years cease to exist. Arab power is growing, and other nations are backing away from Israel because of concern for Arab purchasing power, and the need for Arab oil.

Our Nation has strong ties with Israel which have caused us to look beyond the considerations that are influencing other nations. But we also have an additional reason for apprehension. We know how Russian influence has grown in the Middle East. We know that Russian naval ships are based in Yemen, Iraq, Egypt, and Somalia, and that Russian ships, in large numbers, are regularly visiting most ports of the area. We know that Russia is supplying advanced weapons to virtually every country that is anti-Israel. If Israel should cease to

exist as a nation, it will be Russia that dominates the Middle East, and which exercises new and fearsome control over Europe and much of the free world elsewhere.

The reasons for my amendment should be very clear. It not only is important, it is essential that peace be restored to the area as quickly as possible—not an armed truce of the kind which has existed for a quarter of a century with constantly recurring wars—a lasting peace which is acceptable to both Israel and to the Arab States. I think it is a mistake to pass this bill without a hope for peace and an expressed desire that the President make every reasonable effort to obtain a lasting peace. Otherwise, this bill speaks only for the U.S. concern for arms for Israel.

Having achieved peace, it is equally important that the Congress show an interest in the resumption of normal diplomatic and trade relations with the Arab countries. Nearly all of those countries want our friendship. They do not want the doors closed to normal relations with the United States. How much better it would be if we show that beyond the immediate necessity of keeping Israel alive, we want both peace and normal relations with the Arab countries and, indeed, with and between all of the countries of the world, including peace and normal relations between Israel and the Arab States.

There are those who say that we cannot deal with some Arab nations. They use Libya as an example. Who can say that the present policies of Libya will continue or that another government in Libya will not in time be friendly to America?

Let us leave the door open. This amendment can help to show both sides that we want peace, that we want meaningful negotiations, that we want to live in harmony with all nations. It takes nothing away from the Israelis. It gives nothing to the Arabs. But it shows that we are not blind to the future.

Indeed, how important it would be if peace were to come quickly and Arab oil would flow again to the United States. This could prevent cold homes and stalled transportation and increasing unemployment before the end of winter.

The Arabs have said that oil will be available if peace returns.

The rank and file of the American people want peace in the Middle East and trade with the Arab nations. This amendment endorses that hope. I trust that it will be accepted, and I sincerely hope that the distinguished gentleman from Iowa will not insist on his point of order.

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

Mr. SIKES. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

I should like to commend the distinguished gentleman on his amendment, and I wish to associate myself with his remarks.

The CHAIRMAN. Does the gentleman from Iowa insist on his point of order?

Mr. GROSS. I do, Mr. Chairman. This

amendment is window dressing. It calls upon the President to resume diplomatic and trade relations between certain nations and clearly goes beyond the scope of this bill.

Mr. SIKES. Mr. Chairman, this amendment expresses the hope and asks the President to move to bring to the Middle East. It expresses the hope that we will be able to resume normal trade relations with all nations, and that other nations, the Arabs and the Israelis, will be able to resume diplomatic and normal trade relations. I feel that it does not impose additional requirements. I feel that it adds to and supplements the language of the bill, and that the point of order should not be sustained.

The CHAIRMAN (Mr. MURPHY of New York). The Chair has studied the amendment and will state that the amendment goes to the question of negotiations involving Arab and United States trade and diplomatic relations and is not within the purview of this legislation. The Chair sustains the point of order of the gentleman from Iowa. Are there further amendments? If not, under the rule, Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of New York, 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. 11088) to provide emergency security assistance authorizations for Israel and Cambodia, pursuant to House Resolution 742, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

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.

#### RECORDED VOTE

Mr. MORGAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 364, noes 52, not voting 16, as follows:

[Roll No. 647]

#### AYES—364

Abzug	Bafalis	Bray
Adams	Barrett	Breckinridge
Addabbo	Bauman	Brinkley
Alexander	Beard	Brooks
Anderson,	Bell	Broomfield
Calif.	Bennett	Brotzman
Anderson, Ill.	Bergland	Brown, Calif.
Andrews, N.C.	Bevill	Brown, Mich.
Andrews,	Biaggi	Brown, Ohio
N. Dak.	Blester	Broyhill, N.C.
Annunzio	Bingham	Broyhill, Va.
Archer	Blackburn	Buchanan
Arends	Blatnik	Burgener
Armstrong	Boggs	Burke, Fla.
Ashbrook	Boland	Burke, Mass.
Ashley	Bolling	Burton
Aspin	Brademas	Butler
Badillo	Brasco	Carey, N.Y.

Carney, Ohio	Hays	Price, Tex.
Carter	Heckler, Mass.	Pritchard
Casey, Tex.	Heinz	Quie
Cederberg	Helstoski	Quillen
Chamberlain	Henderson	Rallsback
Chappell	Hillis	Rangel
Chisholm	Hinshaw	Rees
Clancy	Hogan	Regula
Clark	Holifield	Reid
Clausen,	Holt	Reuss
Don H.	Holtzman	Rhodes
Clawson, Del.	Horton	Riegle
Clay	Hosmer	Rinaldo
Cleveland	Howard	Roberts
Cohen	Huber	Robinson, Va.
Collins, Ill.	Hudnut	Robison, N.Y.
Collins, Tex.	Hutchinson	Rodino
Conable	Jarman	Roe
Conlan	Johnson, Calif.	Rogers
Conte	Johnson, Pa.	Roncalio, Wyo.
Corman	Jones, Ala.	Roncalio, N.Y.
Cotter	Jones, N.C.	Rooney, Pa.
Coughlin	Jones, Okla.	Rose
Crane	Jones, Tenn.	Rosenthal
Cronin	Jordan	Rostenkowski
Culver	Karth	Roush
Daniel, Dan	Keating	Roy
Daniel, Robert	Kemp	Roybal
W. Jr.	King	Ruppe
Daniels,	Kluczynski	Ruth
Dominick V.	Koch	Ryan
Danielson	Kuykendall	St Germain
Davis, Ga.	Kyros	Sandman
Davis, S.C.	Leggett	Sarasin
Davis, Wis.	Lehman	Sarbanes
de la Garza	Lent	Satterfield
Delaney	Litton	Schneebell
Denholm	Long, La.	Schroeder
Dent	Long, Md.	Sebelius
Derwinski	Lujan	Seiberling
Devine	McClary	Shriver
Dickinson	McCloskey	Sikes
Diggs	McCollister	Sisk
Dingell	McCormack	Slack
Donohue	McDade	Smith, Iowa
Dorn	McEwen	Smith, N.Y.
Downing	McFall	Spence
Drinan	McKay	Staggers
Dulski	McKinney	Stanton,
Duncan	McSpadden	J. William
du Pont	Macdonald	Stanton,
Eckhardt	Madden	James V.
Edwards, Ala.	Madigan	Stark
Edwards, Calif.	Mahon	Steed
Ellberg	Mailliard	Steele
Esch	Mallory	Steelman
Eshleman	Mann	Steiger, Ariz.
Evans, Colo.	Maraziti	Steiger, Wis.
Evins, Tenn.	Martin, N.C.	Stephens
Fascell	Mathias, Calif.	Stratton
Findley	Mathis, Ga.	Stubblefield
Fish	Matsunaga	Stuckey
Flood	Mayne	Studds
Flowers	Meeds	Symington
Foley	Metcalfe	Talcott
Ford,	Mezvisky	Taylor, N.C.
William D.	Michel	Teague, Calif.
Forsythe	Milford	Teague, Tex.
Fountain	Minish	Thompson, N.J.
Fraser	Minshall, Ohio	Thompson, Wis.
Frelinghuysen	Mitchell, N.Y.	Thone
Frenzel	Mizell	Thornton
Frey	Moakley	Tiernan
Froehlich	Mollohan	Towell, Nev.
Fulton	Moorhead, Pa.	Treen
Fuqua	Morgan	Udall
Gaydos	Mosher	Ullman
Gettys	Moss	Van Deerlin
Gialmo	Murphy, Ill.	Vanik
Gibbons	Murphy, N.Y.	Vigorito
Gilman	Myers	Waggonner
Ginn	Natcher	Waldie
Goldwater	Nedzi	Ware
Gonzalez	Nelsen	Whalen
Grasso	Nichols	White
Gray	Nix	Whitehurst
Green, Oreg.	Obey	Whitten
Green, Pa.	O'Brien	Widnall
Griffiths	O'Hara	Wiggins
Grover	O'Neill	Williams
Gubser	Owens	Wilson, Bob
Gude	Parris	Wilson,
Gunter	Passman	Charles H.,
Guyser	Patman	Calif.
Haley	Patten	Wilson,
Hamilton	Pepper	Charles, Tex.
Hanley	Perkins	Winn
Hanna	Pettis	Wolf
Hanrahan	Peyser	Wright
Hansen, Idaho	Pickle	Wylder
Hansen, Wash.	Pike	Wyman
Harrington	Poage	Yates
Harvey	Podell	Yatron
Hastings	Preyer	Young, Alaska
Hawkins	Price, Ill.	Young, Fla.

Young, Ga.	Young, S.C.	Zablocki
Young, Ill.	Young, Tex.	Zion

#### NOES—52

Baker	Harsha	Montgomery
Bowen	Hechler, W. Va.	Moorhead,
Breaux	Hicks	Calif.
Burleson, Tex.	Hungate	Powell, Ohio
Burlison, Mo.	Ichord	Randall
Byron	Johnson, Colo.	Rarick
Camp	Kastenmeyer	Roussellot
Cochran	Kazen	Runnels
Collier	Ketchum	Scherle
Conyers	Landgrebe	Shipley
Dellenback	Landrum	Shuster
Dellums	Latta	Snyder
Dennis	Martin, Nebr.	Symms
Flynt	Mazzoli	Taylor, Mo.
Goodling	Melcher	Vander Jagt
Gross	Miller	Wampler
Hammer-	Mink	Wylie
schmidt	Mitchell, Md.	Zwach

#### NOT VOTING—16

Abdnor	Lott	Sullivan
Burke, Calif.	Mills, Ark.	Veysey
Erlenborn	Rooney, N.Y.	Walsh
Fisher	Shoup	Wyatt
Hébert	Skubitz	
Hunt	Stokes	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mrs. Burke of California.

Mr. Hébert with Mr. Fisher.

Mr. Mills of Arkansas with Mr. Stokes.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill just passed.

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

There was no objection.

#### PERMISSION FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO FILE CONFERENCE REPORT ON H.R. 3180, FRANKING PRIVILEGES

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill, H.R. 3180.

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

There was no objection.

#### CONFERENCE REPORT (H. REPT. NO. 93-712)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3180) to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 4, 5, 6, 7, 15, 17, 18, 26, and 27.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 10, 13, 14, 16, 19, 20, 22, 23, 24, 25,



30, 32, 33, 34, 35, 36, 38, 39, 40, 41, and 42, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same with an amendment as follows: Strike out the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 3 and, on page 2, line 15, of the House engrossed bill, strike out "by a Members of Congress".

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9 and agree to the same with an amendment as follows:

In the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 9 strike out the word "a" and insert in lieu thereof the following: "such".

And the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 11 insert the following subparagraph:

"(D) any mass mailing when the same is mailed at or delivered to any postal facility less than 28 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which such Member or Member-elect is a candidate for public office. For the purpose of this clause (D), the term 'mass mailing' shall mean newsletters and similar mailings of more than 500 pieces in which the content of the matter mailed is substantially identical but shall not apply to mailings—

"(i) which are in direct response to inquiries or requests from the persons to whom the matter is mailed;

"(ii) to colleagues in Congress or to government officials (whether Federal, State, or local); or

"(iii) of news releases to the communications media.

The House Commission on Congressional Mailing Standards and the Select Committee on Standards and Conduct of the Senate shall prescribe for their respective Houses such rules and regulations and shall take such other action, as the Commission or Committee considers necessary and proper for the Members and Members-elect to conform to the provisions of this clause and applicable rules and regulations. Such rules and regulations shall include, but not be limited to, provisions prescribing the time within which such mailings shall be mailed at or delivered to any postal facility to attain compliance with this clause and the time when such mailings shall be deemed to have been so mailed or delivered and such compliance attained.

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 the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 12, strike out "February" and insert in lieu thereof the following: April

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 the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 12, strike out "February" and insert in lieu thereof the following: "April".

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amend-

ment of the Senate numbered 21 and agree to the same with an amendment as follows:

In the matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 21 strike out the word "February" and insert in lieu thereof the following: "April".

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:

Eliminate the matter proposed to be inserted by Senate amendment numbered 28 in the House engrossed bill, restore to its former place in the House engrossed bill the matter proposed to be eliminated from the House engrossed bill by Senate amendment numbered 28, and, immediately after the word "privilege" in such matter so restored, insert the following: "by any person listed under subsection (d) of this section as entitled to send mail as franked mail".

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:

On page 7, line 3, of the Senate engrossed amendments, insert immediately after "privilege", the following: "by any person listed under subsection (a) of this section as entitled to send mail as franked mail".

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 provisions of Senate amendment numbered 31, on page 15 of the House engrossed bill, strike out line 6 and all that follows down through the period in line 10 on page 16, and insert in lieu thereof the following:

"(a) The equivalent of—

"(1) postage on, and fees and charges in connection with, mail matter sent through the mails—

"(A) under the franking privilege (other than under section 3219 of this title), by the Vice President, Members of and Members-elect to Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, each of the elected officers of the House of Representatives (other than a Member of the House), and the Legislative Counsels of the House of Representatives and the Senate; and

"(B) by the surviving spouse of a Member of Congress under section 3218 of this title; and

"(2) those portions of fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title; shall be paid by a lump-sum appropriation to the legislative branch for that purpose and then paid to the Postal Service as postal revenue. Except as to Mailgrams and except as provided by sections 733 and 907 of title 44, envelopes, wrappers, cards, or labels used to transmit franked mail shall bear, in the upper right-hand corner, the sender's signature, or a facsimile thereof, and the printed words 'Postage paid by Congress'.

"(b) Postage on, and fees and charges in connection with, mail matter sent through the mails under section 3214 of this title shall be paid each fiscal year, out of any appropriation made for that purpose, to the Postal Service as postal revenue in an amount equivalent to the postage, fees, and charges which would otherwise be payable on, or in connection with, such mail matter.

"(c) Payment under subsection (a) or (b) of this section shall be deemed payment for all matter mailed under the frank and for all fees and charges due the Postal Service in connection therewith.

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 matter proposed to be inserted in the House engrossed bill by Senate amendment numbered 37, insert the following:

SEC. 12. (a) Chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3219. Mailgrams

"Any Mailgram sent by the Vice President, a Member of or Member-elect to Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, an elected officer of the House of Representatives (other than a Member of the House), or the Legislative Counsel of the House of Representatives or the Senate, and then delivered by the Postal Service, shall be considered as franked mail, subject to section 3216(a)(2) of this title, if such Mailgram contains matter of the kind authorized to be sent by that official as franked mail under section 3210 of this title."

(b) The table of sections of such chapter 32 is amended by adding at the end thereof the following:

"3219. Mailgrams."

And the Senate agree to the same.

T. J. DULSKI,  
DAVID N. HENDERSON,  
MORRIS UDALL,  
CHARLES H. WILSON,  
EDWARD J. DERWINSKI,  
ALBERT JOHNSON,

*Managers on the Part of the House.*

GALE W. MCGEE,  
JENNINGS RANDOLPH,  
H. L. FONG,  
TED STEVENS,

*Managers on the Part of the Senate.*

#### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3180) to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, 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:

#### TECHNICAL AMENDMENTS RELATING TO SENATE AMENDMENT NUMBERED 3

Amendments Numbered 1, 2, 4, 5, 6, 7, 15, and 17: These technical amendments, which make certain purely minor and technical changes in language, punctuation, and paragraph and subsection and subparagraph designations, are eliminated as inappropriate because of the action taken by the conference committee on Senate amendment numbered 3. The Senate recedes.

#### MAIL MATTER FRANKABLE BY MEMBERS AND MEMBERS-ELECT OF CONGRESS

##### Amendment numbered 3:

###### House Bill

Section 3210(a)(3) of title 39, United States Code, as set forth in subsection (a) of the first section of the House bill listed specific categories of mail matter, included in all of those categories of mail matter, mailable by a Member of Congress or a Member-elect to Congress under the franking privilege.

###### Senate Amendment

Senate amendment numbered 3 inserted on page 4, after line 2, of the House engrossed bill, language in a new paragraph (4) intended to emphasize that certain categories of mail matter frankable by a Member of Congress are also frankable by a Member-elect.

*Conference Agreement*

The conference agreement reflects the effect and intent of both Senate amendment numbered 3 and the applicable provisions of the House engrossed bill with an amendment which clarifies the application of the sending of mail matter by Member of, and Members-elect to, Congress under the franking privilege.

*HOLIDAY GREETINGS*

Amendments numbered 8 and 9:

*House Bill*

The House bill, in the form in which it passed the House, contained no specific provisions prohibiting a Member of or Member-elect to the Congress from sending a card expressing holiday greetings. However, the provisions of section 3210(a)(4) of the House passed bill contained a general prohibition against any public official using the frank for mail which, in its nature, is purely personal to the sender and is unrelated to the official business, activities, or duties of the official.

*Senate Amendments*

Senate amendment numbered 9 amended the provisions of the House bill to provide a specific prohibition against a Member of or Member-elect to the Congress using the frank to mail a card expressing holiday greetings.

Senate amendment numbered 8 is a technical amendment to conform the provisions of the House bill to the changes made by Senate amendment numbered 9.

*Conference Agreement*

The House recedes from its disagreement to the technical amendment made by Senate amendment numbered 8 and recedes from its disagreement to Senate amendment numbered 9 and agrees with a further amendment which is purely technical to include the clarifying word "such" before the words "Member or Member-elect".

*MASS MAILINGS*

Amendments numbered 10, 11, and 35.

*House Bill*

The House bill did not restrict mass mailings. It did, however, direct the House Commission on Congressional Mailing Standards to study and evaluate problems relating to mass mailings and postal patron mailings. The House bill also directed the Commission not to recommend that mailings, whether mass or individual mailings, be prohibited more than 30 days before an election.

*Senate Amendment*

Senate amendments numbered 10 and 11 added a new clause (D) to section 3210(a)(5) to prohibit mass mailings mailed less than 31 days before a primary or general election (whether regular, special, or runoff) when the Member or Member-elect is a candidate for public office. "Mass mailing" includes newsletters and similar mailings of more than 500 pieces when the content is identical but exempting mailings in direct response to direct inquiries or requests. Senate amendment numbered 35 repealed the provisions of the House bill on studying and evaluating mass mailings and postal patron mailings as no longer necessary because of the specific prohibition against mass mailings before elections and the prohibition in Senate amendment 18 against postal patron mailings.

*Conference Agreement*

The conference agreement provides that mass mailings shall not be delivered to the postal facility less than 28 days before a primary or general election in which the Member of Congress is a candidate for public office. The term "mass mailing" is defined to include newsletters and other similar mailings of more than 500 pieces when the content is substantially the same, except for mailings—

(1) in direct response to inquiries or requests;

(2) to colleagues in Congress or to Federal, State, or local officials; and

(3) of news releases to the communications media.

The House Commission on Congressional Mailing Standards and the Senate Select Committee on Standards and Conduct are to promulgate rules and regulations necessary to carry out clause (D), including rules and regulations to determine when mailings are considered to be mailed at or delivered to a postal facility.

*EXPIRATION OF FRANKING PRIVILEGE*

Amendments numbered 12, 21, 22, 23, 24, 30, 32, 33, 34, 39, 40, 41, and 42:

*House Bill*

Section 3210(b) of title 39 in the House bill authorized the use of the frank by the various officials until the 30th day of June following the expiration of their respective terms of office.

*Senate Amendments*

Senate amendment numbered 12 limits the authority for such officials to use the frank until the first day of February.

Senate amendment numbered 21 adds a new section 2 to the bill amending section 3211 of title 39, United States Code, relating to the sending of public documents under the frank and makes two changes. First, the amendment deletes from the provisions of existing law reference to the Clerk of the House of Representatives and the Sergeant at Arms of the House of Representatives and inserts in lieu thereof "each of the elected officials of the House of Representatives (other than a Member of the House)". Secondly, the amendment changes the provisions of existing law which permits the use of the frank for sending public documents until the 30th day of June following the expiration of their respective terms of office to the first day of February.

All of the other Senate amendments referred to above are technical amendments to conform the provisions of the bill to the changes made by Senate amendments numbered 12 and 21.

*Conference Agreement*

The conference agreement provides for the use of the frank until the first day of April following the expiration of the terms of offices of such officials. The conference agreement also adopts the changes contained in the Senate amendment numbered 21 relating to the mailing of public documents.

The House recedes from its disagreement to all of the technical conforming amendments.

*LEGISLATIVE COUNSEL OF THE SENATE*

Amendments numbered 13, 14, 16, and 38:

*House Bill*

Section 3210(b) of title 39 in the House bill, relating to the basic authority for the use of the frank, did not extend the privilege to the Legislative Counsel of the Senate. The last sentence of section 1303(d) of the Revenue Act of 1918 (2 U.S.C. 277) authorizes the Legislative Counsel of the Senate to use penalty mail.

*Senate Amendments*

The Senate amendments numbered 13, 14, and 16 made the necessary amendments under section 3210(b) to extend the privilege of the frank to the Legislative Counsel of the Senate. Senate amendment numbered 38 repealed the last sentence of such section 1303(d).

*Conference Agreement*

The conference substitute adopts the language of the Senate amendments on this subject.

*POSTAL PATRON MAIL*

Senate amendment numbered 18:

*House Bill*

Section 3210(d) of title 39 in the House bill authorized Members of the House to send mail with a simplified form of address for delivery within the area constituting the congressional district from which he was elected. The simplified form of address does not require a specified addressee or address to be placed on the mail matter.

*Senate Amendment*

The Senate amendment numbered 18 struck out the provision of such section 3210(d).

*Conference Agreement*

The Senate recedes from the amendment.

*FRANKING COST AS POLITICAL CONTRIBUTION*

Senate amendments numbered 19 and 20:

*House Bill*

The House bill contained no provision relating to the cost of franked mail as a political contribution.

*Senate Amendments*

Senate amendment numbered 20 added a new subsection (f) to section 3210 to prohibit the cost of preparing or printing frankable matter from being considered as a contribution to or an expenditure by the Vice President or a Member of Congress for the purpose of determining any limitation on expenditures or contributions with respect to any such official imposed by any Federal, State, or local law or regulation in connection with any campaign of such official for election to any Federal office.

Senate amendment numbered 19 is a technical amendment to conform the provision of the bill with the change made by Senate amendment numbered 20.

*Conference Agreement*

The House recedes from its disagreement to Senate amendments numbered 19 and 20.

*ADMINISTRATIVE PROCEDURE ON FRANKING PRIVILEGE COMPLAINTS*

Senate amendments numbered 25, 26, 27, 28, and 29:

*House Bill*

The House-passed bill established a House Commission on Congressional Mailing Standards to provide guidance, assistance, advice, and counsel through advisory opinions or consultations in connection with franking mailings upon the request of any Member of the House or Member-elect, Resident Commissioner, or Resident Commissioner-elect, Delegate, or Delegate-elect, surviving spouses of any of the foregoing or other House official entitled to use of the frank.

Provisions were also included for complaints to be filed with the Commission that a violation of any of the franking requirements is about to occur or has occurred with the requirement that the Commission conduct an investigation of the complaint and make written findings of fact. Such findings of fact are binding and conclusive for all judicial and administrative processes. A provision was included that any judicial review of such decision if ordered on any ground shall be limited to matters of law. The Commission if it finds that a "serious and willful" violation has occurred or is about to occur may refer its decision to the Committee on Standards of Official Conduct of the House of Representatives for appropriate action.

*Senate Amendments*

Senate amendment numbered 25 added the words "by any person" to clarify who could file the complaint of a violation. Senate amendment numbered 27 struck out the words "serious and willful" in connection with the provision relating to the type of violation which the Commission would refer



to the Committee on Standards of Official Conduct.

Senate amendments numbered 26 and 28 struck out the provision of the House bill that made the findings of fact by the Commission final and binding on the courts.

Senate amendment numbered 29 added a new section 6 to the bill to provide that the Senate Select Committee on Standards and Conduct would provide guidance, assistance, advice, and counsel to Members and Members-elect of the Senate. This amendment provided that the appropriate courts would not have jurisdiction to entertain any civil action relating to a violation of the franking laws or an abuse of the franking privilege until a complaint has been filed with the Select Committee and the Committee has rendered a decision thereon.

#### Conference Agreement

The House receded from its disagreement to amendment numbered 25 so that the words "by any person" is included to clarify the application of the complaints that may be filed with the House Commission on Congressional Mailings Standards.

The Senate receded from its amendment numbered 27 so that the words "serious and willful" are retained in the House provision relating to the type of violation that would be referred to the Committee on Standards of Official Conduct of the House of Representatives.

The Senate receded from amendment numbered 26 relating to the finality of the findings of fact by the House Commission.

The House receded from its disagreement to amendment numbered 28 with a further amendment that clarifies the application of the provisions of section 5 to violation of the franking privilege by officials of the House only.

The House receded from its disagreement to amendment numbered 29 which added section 6 to the bill and agreed to the amendment with a further amendment which makes it clear that the provisions of such section 6 relate only to the mailings under the frank by Members of the Senate.

#### MAILGRAMS

Amendments numbered 31 and 37.

#### House Bill

The House bill, in the form in which it passed the House, contained no provisions permitting the sending of Mailgrams as franked mail.

#### Senate Amendments

Senate amendment numbered 37 permits the frank to be used for the sending of Mailgrams and other items transmitted by electronic means.

Senate amendment numbered 31 provides for payment for the handling and delivery of Mailgrams as franked mail.

#### Conference Agreement

The House recedes from its disagreement to Senate amendment numbered 37 and agrees with a further amendment which deletes the authority to send items transmitted by electronic means under the frank except Mailgrams.

The House recedes from its disagreement to Senate amendment numbered 31 with further technical amendments to reflect the agreement of the conferees on Senate amendment numbered 37.

#### FRANKED MAIL BY SERVING SPOUSES OF MEMBERS

Amendment numbered 36:

#### House Bill

The House bill in the form in which it passed the House contained no provisions modifying the privilege granted to the surviving spouse of a Member to send franked mail relating to the death of such Member under section 3218 of title 39, United States Code.

#### Senate Amendment

Senate amendment numbered 36 amended section 3218 of title 39, United States Code, by restricting the type of mail which the surviving spouse of a Member may send under the frank to "nonpolitical" mail relating to the death of such Member.

#### Conference Agreement

The conference agreement adopts the Senate amendment.

T. J. DULSKI,  
DAVID N. HENDERSON,  
MORRIS UDALL,  
CHARLES H. WILSON,  
EDWARD J. DERWINSKI,  
ALBERT JOHNSON,

Managers on the part of the House.

GALE W. MCGEE,  
JENNINGS RANDOLPH,  
H. L. FONG,  
TED STEVENS,

Managers on the part of the Senate.

#### FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATION ACT, 1974

Mr. PASSMAN. 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. 11771) making appropriations for Foreign Assistance and related programs 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 not to exceed 1½ hours, one-half of the time to be controlled by the gentleman from Kansas (Mr. SHRIVER) and one-half of the time to be controlled by myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana (Mr. PASSMAN).

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. 11771, with Mr. PRICE of Illinois 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 Louisiana (Mr. PASSMAN) will be recognized for 45 minutes, and the gentleman from Kansas (Mr. SHRIVER) will be recognized for 45 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. PASSMAN).

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

Mr. Chairman, the foreign aid bill before you, supported by facts covering title I only, is the best balanced bill presented to the Congress since the inception of the foreign aid program. Incidentally, practically all of the publicity on foreign aid is built around title I.

The budget request for title I, fiscal 1974, was \$2,501,682,000. The bill before you calls for \$2,044,932,000 for title I, or a reduction below the budget of \$456,750,000.

Now, dealing with the total bill that

is before the committee covering titles I, II, III, and IV, the reduction below the budget request for all titles of the bill is \$1,032,655,000. The bill calls for \$269,789,000 below the amount appropriated last year for titles I, II, and III. Incidentally, it is \$84 million below the authorization that the House passed in the conference report last week. So, all in all, we have brought you a bill that should be acceptable even to the critics of foreign aid.

I would like to call the committee's attention to the fact that the large increase in the total foreign aid bill covering titles I, II, III, and IV is brought about by the emergency request for \$2.2 billion for Israel, plus, of course, the continued alarming increase in multilateral organizations.

Let me assure the committee that the bill is not purposely weighted in favor of any particular nation. To those who would venture far enough to call this bill weighted in favor of Israel, may I urge that you check the facts as they are. First, the calm thinkers realize that if there is a strong Israel, it simply means protection for 150 million Arabs, because if the one nation in the Middle East friendly to the United States should go down the drain, then, in all probability, in due time the entire Arab world would fall under the domination of the Soviet Union, the wishes of the Arabs, notwithstanding. Such designs are on the trestle board, and we might as well face up to it.

Of course, if the Arab world should come under the domination of Russia, so would 70 percent of the known oil reserves of the world, and it would give the Soviet Union free access to all ports in the Mediterranean, plus the Suez Canal.

In addition to the words that I have committed to the record, let us have a look at the figure which you may find somewhat surprising. For instance, in the budget request there is \$200 million plus for the Arab States, including, of course, Jordan, Lebanon, Egypt, Yemen, Sudan, Morocco, Saudi Arabia, and Tunisia, to name only a few. In addition to that portion of the bilateral request, these nations draw very heavily upon the multilateral organizations of which the United States is by far the largest contributor—in fact, several times as much as any runner-up contributor.

With respect to those who may feel that they should criticize the military assistance to Israel, may I point out that our country has never provided military material to Israel on a grant aid basis. In fact, there has been only a limited amount of grant economic aid. Those who have negotiated sales agreements with Israel have usually driven hard bargains.

As I reported this bill today, I can say to you that Israel is not delinquent on as much as one dollar of her indebtedness to the United States. Her accounts are completely up-to-date. In recent years, she has repaid \$218 million for her indebtedness.

It may also surprise you to know that the Israelis are so proud of their country and so determined to maintain it that they are willing for 80 percent of their total budget to go to the military establishment.

Now, may I cover a few of the pertinent points in the bill before you:

Mr. Chairman, we have a new format to deal with this year. In prior years in considering this bill we have had worldwide, technical assistance, Alliance for Progress, technical assistance, programs relating to population growth and development loans. None of these titles are any longer in the bill. Rather, the authorizing committee has substituted new titles such as: food and nutrition, development assistance; population planning and health, development assistance; education and human resources development, development assistance; selected development problems, development assistance; and selected countries and organizations, development assistance. These things are extremely complicated.

The AID people assure us though that they can administer the programs according to the new captions and titles. Of the \$580 million we are recommending in the bill for these development assistance programs, \$280 million will be for loans, the same as the old development loan funds, and \$300 million will be for various types of grants.

Mr. Chairman, I would now like to run through the bill very briefly, and bring out, if I may, some of the key points and things in which I know the Members will be interested. This bill is cut \$1,032,655,000 below the budget request. That is one of the largest cuts made in the history of foreign aid, and a lot of credit goes to the great Committee on Foreign Affairs, because they certainly did their homework well this year. They trimmed this bill very substantially and did not leave too much fat for this committee to take out.

Mr. Chairman, if we may actually look to what this bill protects, let us go back if we may about 25 years ago, to the outbreak of the Korean war. President Truman, and later of course President Eisenhower, and I believe President Kennedy, and subsequently President Johnson felt that Korea must be maintained as a sovereign nation. All of our great generals and great admirals, all of our Secretaries of State during the period made the same claim, that we must protect South Korea, and protect them because they are friends of our Nation. Now that we have done this, they have a very strong economy, and they are just as good friends of America as any nation you will find on the face of the Earth. But they must maintain a very strong military, and without some military assistance from this country it is perfectly obvious that it is just a question of time until South Korea would fall.

Some of the members do not like to refer to it as an investment, but I do not know of any better way to refer to it than an investment. We actually invested \$36.9 billion in all of the categories of financial assistance, including the Defense Department, for South Korea. In addition to that, we invested 54,246 precious American lives in that conflict, and added to that were 105,785 casualties. To me that is a tremendous investment made by the American people and, for

my money, it is an investment that must be protected.

Let us have a look at another investment that we made, and this goes back to the days of President Eisenhower, later President Kennedy, President Johnson, and President Nixon. All of these Presidents, all of our great leaders, our Secretaries of State over the period of years went all out and said we must have a sovereign South Vietnam.

This may surprise you. We have invested \$141 billion of our resources in South Vietnam, and added to that, of course, are 56,388 lives and 308,817 casualties. Without economic aid, and, of course, the replacement for those military items in the defense appropriation, South Vietnam would go down the drain. So, we must provide assistance to South Vietnam, otherwise, of course, that country cannot survive.

So, as I say, that investment must be protected.

Knowing, as I believe, that the Members want their subcommittee in the future as they have in the past, not to withhold any information from them, we have a very voluminous report. We put it on the line. We have named every nation on the face of the Earth that we have given assistance to since the inception of the foreign aid program, and we have given aid to 128 nations of the world and 7 territories.

If we add the amount of money we have spent for the interest on money we have borrowed to give away, we can see on page 9 the total cost is \$253,171,100,000. We are not trying to hide anything from the Members. We want to put it out where they can see it. The main reason for putting the table in our report is so the Members may return to their constituents after reading the report and tell them what any nation on the face of the Earth has received. Most people think it is a good investment. I am only reporting the facts as we find them.

In an effort to be completely fair with the Members and not to mislead them, we have put all types of foreign aid and assistance in one place. We have included the Export-Import Bank, which is one of the finest organizations we have in our Federal Government. It has paid back to the U.S. Treasury over \$800 million in dividends. It has been a very handsome profit.

If the Members will study the reports, they will find that there have been billions of dollars paid into the U.S. Treasury due to the profits made by the corporations on the sale of their exports, in addition to the fact that it provides employment for thousands of our fellow Americans in producing the goods that we export.

To give the Members a general idea how this committee over the years, along with other committees, has taken some of the fat out of the foreign aid program, the Members will find on page 11 the amount of money that we have been able to take out of the budget request by year for the past 19 years.

Hurrying along, if I may, Mr. Chairman, let us look at population planning and health, development assistance.

Under the legislation that we have drafted and the limitation we placed in this bill, there will only be \$100 million for family planning. So far as abortion is concerned, it is covered in the authorization bill. But population planning and health is a program, as far as I know, which has a lot of support, so we funded it.

If I may discuss briefly American schools and hospitals abroad, I think that this is one of the finest parts of the foreign aid bill and we have provided \$19 million for this item. Among the institutions that will be financed will be the University of the Americas at Puebla, Mexico. That is purely and wholly an American institution. It is owned by Americans, and students from 42 States attend this university. So we are financing that university.

The American University of Beirut. That is totally an American institution. Many of the leaders in the Far East were educated at the American University at Beirut, and it has been said by expert witnesses before our committee that without the AUB in Beirut, Lebanon would have also broken off diplomatic relations with our country when some of the others did. So it has been a tremendous investment.

Then, of course, we have the Weizmann Institute in Israel. That is an institution that is attended by scholars from throughout the world. So far as I know, there is no criticism of the Weizmann Institute. Project Hope, of course, is covered in this bill. That is something that we have been supporting for many, many years. It is funded in this bill.

Of course, the appropriation last year was \$25,500,000. This year it is only \$19 million, a reduction of \$6½ million. That will leave very little money in this bill for what is usually referred to as purely small schools. Very few schools can or will be funded out of this bill.

We have what has been referred to previously as the President's Contingency Fund. We have made no reduction in this fund, inasmuch as we have cut substantially from the other sections. We have included \$30 million in the bill so in case of emergency the President would have sufficient funds in that particular item to take care of emergencies.

The Members will find on page 33 that we have the International Narcotics Control program for \$42,500,000. We have met with great success with this program. For instance, in Turkey they have almost eradicated the growing of the poppy, and they are cooperating beautifully. We find that to be true in other parts of the world, so the committee decided we should make no reduction in the International Narcotics Control item.

On page 35 it can be seen we have put in a special grant for the African Sahel Famine and Disaster Relief Assistance. This is set out at \$25 million in a single item.

Mr. Chairman, in military assistance the budget request was \$685 million, but the bill before us provides \$500 million, which is \$53.4 million below the amount that was appropriated last year.



The Indochina postwar reconstruction, Mr. Chairman, is a must. The budget request was \$632 million, which is shown on page 40 of the report, but the Members will find the committee recommended only \$500 million. That is a reduction below the amount authorized. Concerning aid to Israel, and the \$2.2 billion, it is clear what the thinking of the House is on this matter. I can assure the Members that this money will not be spent unless it is necessary, because a certain amount of it will be held until such time as the President makes a determination and notifies the Congress.

On the international organizations our committee is deprived of the right to examine those who administer this program. They say this is in violation of our international agreements, so those who administer the program cannot come before our committee and justify the funds. We have to hear people in the State Department or in the Treasury who try to justify these funds.

I might try, Mr. Chairman, to give the Members an idea how the United Nations Development program works. I think the Members are entitled to have these facts. I have always thought the United Nations was supposed to be a peacekeeping organization but rapidly they are moving toward becoming another rather large spigot of foreign aid. If the Members will look at the UNDP item, they will find we have recommended a reduction. We feel it is adequate.

This agency has financed 53 projects in Cuba, amounting to almost \$10 million. In addition to that we find that they are working on some plan to invest millions of dollars in Kuwait. We find the U.N. financed seven projects in Kuwait, one of the richest countries of the world.

In Japan, another of the world's wealthy countries, we find that the UNDP has a project for some \$737,000.

We can go on and on about how this organization is operating. We think the time is coming when we are going to have to insist that we have the right to examine those who administer the programs. I am not going to be knocked off my feet by any claims that we put up this much and that fellows puts up that much. Look at how much money we put up and how much of it is going to nations such as Cuba to which I just referred.

I think I should cover one other item and show the Members how the international organizations are pyramiding their funds. We found that the Inter-American Development Bank on June 30 had \$2.2 billion in undisbursed funds. They say additional funds are needed, yet the \$2.2 billion is still to be disbursed. This year we provided \$510 million for the maintenance of value. In our bill we are putting in an additional \$418 million. That brings the total available to the Inter-American Development Bank to over \$3 billion.

The average expenditure annually since they created the bank has been \$200 million. The largest year it was \$400 million. So by any mathematical formula we want to look at it we have a 7-year supply of money in the Inter-American Development Bank if we consider it on the basis of their annual expenditures.

I do not think it is necessary to go into the other multilateral organizations. They operate on a similar basis, but I want to repeat that the time is overdue to have some machinery set up so we can have those people who administer these funds come before our committee and our committees and explain to us why they are dissipating the money in these bills on wealthy nations such as Kuwait and Japan, and we might also again include Cuba.

Now, Mr. Chairman, if I may discuss the disaster relief assistance item. The budget requested \$150 million. The committee recommends only \$100 million. On the surface it would appear we have made a reduction of \$50 million, but that is inaccurate, because as I mentioned earlier, we put in \$25 million for our friends in Africa that would have been a part of this disaster assistance item had we not put it in the regular part of the bill, because we wanted to earmark it to be sure that this \$25 million went to Africa where we intended it to go.

The flood relief and reconstruction of Pakistan, if Members will read the report, is a sad story. I feel a humanitarian obligation, and I am sure I speak for a great many of the Members, when I say that.

The work of earthquake reconstruction in Nicaragua, of course, is self-explanatory if Members will read the report.

Now, Mr. Chairman, I will refer, if I may to military credit sales. This is the one good part of the bill, military credit sales. All nations on the face of the earth are going to buy military equipment, make no mistake about that. If we do not provide the short-term credit whereby they can purchase our military equipment, we are going to give them economic aid; then they are going to take their resources and pay for military aid from some other country.

This year the budget requested \$525 million. It was cut by \$200 million. There is only \$325 million in this bill for military credit sales.

It has been one of the most profitable parts of our foreign aid program in that the terms are short. The prevailing interest rate is the same as we paid to borrow the money.

I should not like to mislead Members the \$325 million could generate sales for over \$700 million.

If I say that of this \$325 million, \$300 million is earmarked for Israel, that would indicate \$25 million is left for other countries. That is not the proper way to explain it. The \$300 million earmarked for Israel is out of the total credit ceiling set for the current fiscal year.

Mr. Chairman and members of the committee, we think we have a good bill. We have not withheld any information.

I do not want to take credit for this report. I doubt if in the history of a Congress has any chairman like our great chairman, Mr. MAHON and such an able ranking minority member as Mr. CEDERBERG, ever put together a subcommittee of 12 men who worked so closely together and tried so hard to do a credible job.

I do not know of any member of the subcommittee I would want to lose. Occa-

sionally we have had disagreements. We have disagreed this year, without being disagreeable.

I think this is a good bill.

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

Mr. Chairman, our able chairman of the Subcommittee on Foreign Operations and Appropriations has given to you the overall figures and comparisons for this bill, so I will not repeat them.

I would say we started out with one of the lowest requests for economic assessments that has been proposed by any administration as long as I have been acquainted with the foreign aid program.

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

The CHAIRMAN. The Chair will count.

Forty 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. 648]

Abdnor	Hanna	Mills, Ark.
Blackburn	Harsha	Moakley
Buchanan	Hastings	Murphy, N.Y.
Burke, Calif.	Hébert	Rees
Carey, N.Y.	Hollifield	Reid
Carney, Ohio	Horton	Rooney, N.Y.
Conyers	Hunt	Rosenthal
Derwinski	Jarman	Schneebell
Diggs	Karth	Shoup
Edwards, Calif.	Kastenmeier	Steed
Erlenborn	Keating	Stokes
Esch	Landrum	Sullivan
Fisher	Lehman	Veysey
Goldwater	Madigan	Walsh
Gray	Mallard	Wyatt
Gubser	Michel, Ill.	

Accordingly the Committee rose; and the Speaker having resumed the chair (Mr. PRICE) of Illinois, 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. 11771, and finding itself without a quorum, he directed the Members to record their presence by electronic device, whereupon 385 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. SHRIVER).

Mr. SHRIVER. Mr. Chairman, the request, as you know, was cut further in the authorizing legislation, thus limiting the range of choices available to our committee.

In recommending a bill which is more than a billion dollars below the budget request, the committee is, in concrete terms, expressing our belief that foreign aid projects should wait in line for U.S. funds just as projects in this country are required to do.

This is a smaller bill, and it is redesigned in accord with the structure of the authorization bill. No longer will we deal with such items as technical assistance, development loans, and the Alliance for Progress. Now the funds are split into functional categories, such as population planning and health, education, and human resources development, selected development problems,

and selected countries and organizations.

This will make it a little more difficult to bring these figures together and to know what we are doing in each individual country, but I can assure you that the chairman and I, along with our colleagues on the subcommittee, will do our best to examine closely the future direction of this program.

I have never been known as a champion of large foreign aid expenditures by our Government. In fact, since I came on this subcommittee in 1965, we have cut nearly \$6 billion from the economic assistance budget requests which were submitted by administrations of both political parties. We have done this, and we have been supported by both Houses of Congress, because the record of real accomplishments of foreign aid has not been impressive.

But in recommending passage of this reduced bill, we have recognized that there are items under the general classification of foreign aid which are vitally important to our own country and are worthy of your support. I commend to you the report on the bill prepared by the subcommittee, which touches on these items. I will briefly mention a few of them.

Of great importance to our country are the reduced but vital funds for security supporting assistance, military assistance, military credit sales, and Indochina postwar reconstruction assistance. Whether you choose to call it the Nixon doctrine or whatever, our Nation is in the process of lowering our presence around the world. We are defining our national interests and counting more on our allies to take care of themselves.

I agree with this policy, and I support it through this bill. We have been able to withdraw more than a half million American military personnel from Vietnam and an additional 60,000 from Thailand, Japan, the Philippines, and South Korea. Our costs have gone down drastically in terms of dollars as well as lives. Pages 5 and 6 of our report talks of the U.S. investment in war costs, military assistance, economic assistance, lives lost, and injured.

Much of the human and property damage in Vietnam and Cambodia is due to actions of our own forces. Funds in this bill for Indochina postwar reconstruction assistance will be used for temporary food, shelter, and medical care for refugees and other victims of the war. Funds will also go for reconstruction of schools, hospitals, and bridges.

The committee report states our agreement with the earmarking in the authorizing legislation of \$5 million for assistance to Vietnamese-American children and \$712,000 for assistance to the center for plastic and reconstructive surgery in Saigon. We as a nation have a direct obligation for the welfare of these children, and all efforts must be made through private, humanitarian agencies to facilitate their care and adoption.

Similarly, we have recommended that up to \$15 million of the Indochina postwar reconstruction assistance funds for Cambodia be used to assist orphans, widows, and persons crippled by the war

in that country through the construction and operation of orphanages, centers for plastic and reconstructive surgery, and vocational training.

The bill also provides important funds in the amount of \$42.5 million for narcotics control activities in such countries as Mexico, Turkey, Burma, Laos, and Thailand. Primary emphasis will be placed on training narcotics control personnel and improving control capabilities in these countries. This is just part, but a very important part, of the drug control funds found in the fiscal 1974 budget. The total for all agencies involved in this effort now is more than \$250 million. Details of these efforts can be found on pages 1206 through 1240 of part II of our hearings.

While these funds are used for activities in these other countries, the benefits in terms of reducing the flow of harmful drugs into our own country are obvious.

There are other items in the bill which warrant your support. The Cuban refugee program, under which nearly 450,000 refugees from Castro's Cuba have been resettled in this country, is funded in this bill. More than 80 percent of these refugees are now fully self-supporting, tax-paying, contributing members of their adopted communities, and the program is now scheduled for an orderly termination over a 5-year period.

In response to a proposed budget amendment, we have included under title IV of the bill \$2.2 billion in emergency security assistance for Israel, \$150 million in emergency military assistance for Cambodia, and \$100 million in disaster relief assistance for the Sahel region of Africa, and for Pakistan and for Nicaragua.

The latest tragic war in the Middle East has been especially costly to Israel in terms of weapons and lives lost. A top-secret, preliminary report of the extent of these losses is available to the Members from the chairman of our subcommittee.

I believe it is critical that we include the \$2.2 billion for Israel to help that country regain the military balance with the Arab countries, who have been heavily resupplied by the Soviet Union. Just as important as the actual aid is the visible indication at this time of our support in the Congress of our Secretary of State's fine efforts to bring this 25-year-old conflict to the conference table.

Secretary Kissinger says this aid is important to the stability in the area and the peace talks which will soon begin. His track record in extremely difficult negotiations in the past is sufficient evidence to me to support this request.

In a parallel situation, we are recommending the appropriation of \$150 million of the \$200 million requested for emergency military assistance for Cambodia. Testimony before our subcommittee on this request was blunt and uncomplicated: without this assistance for ammunition for rifles and artillery, which is needed because of the cessation of aerial bombardment by U.S. planes, the Cambodian Army will have nothing to shoot and will fall to the Hanoi-

supplied insurgents. With this ammunition, the Cambodian Government has a good chance to survive.

Just as the survival of Israel is important to U.S. interests in the Middle East, the survival of a Cambodia not under the control of Hanoi is important to our interests in Southeast Asia. In recommending the appropriation of three-fourths of this request, the committee is supporting Secretary Kissinger's continuing efforts to form a lasting peace in Indochina.

Two-thirds of the amount requested for disaster relief assistance has been recommended for Africa, for Pakistan, and for Nicaragua. In each case, large areas have been devastated by natural forces beyond their control. It will take years just to bring them back to the substandard levels of development that existed before the disasters.

The drought in the Sahel, the extensive flooding in Pakistan, and the earthquake in Managua, Nicaragua have damaged these areas far beyond their own means to pick up the pieces. The American people, as they have done throughout our relatively brief history, responded generously in each case through private organizations and agencies.

However, more substantial aid is needed through this government-to-government effort for middle and longer term recoveries in each case. Agricultural inputs, reconstruction of roads, bridges, schools, hospitals, transportation, and utilities facilities—all of these take larger foreign exchange reserves than the economies of these poor countries can hope to provide.

Our committee reduced these requests by a third; not because we are not sympathetic to the needs, but because the longer term assistance to these countries must be weighed along with the immediate needs of people in our own country. We believe we have reached a reasonable recommendation for these items.

When the emergency items in the bill are removed, such as the funds for Israel, Cambodia, and the disasters I have just discussed, the recommended funding is more than a quarter of a billion dollars below fiscal 1973 foreign aid spending. In view of the domestic situation, this is a necessary reduction.

I urge your support for it. I also urge your support for those items just mentioned which remain in the bill. The committee believes they are important to our own national interests.

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

Mr. MILLER. Mr. Chairman, I would like to call the attention of the House to page 7 of the committee report. It is the committee view and suggestion that it is time that we seriously look into the possibility of utilizing barter or exchange arrangements within the foreign assistance program. The committee states:

Any such exchange or barter arrangements would have to be predicated on a mutual self interest, whereby the United States would furnish its capital and expertise to a recipient nation for the achievement of its internal development activities in return for the opportunity to negotiate an arrangement for the accessibility to the mineral and raw material resources of the recipient nation.



I am pleased the committee has recognized the possibility that the foreign assistance program may well afford us a unique way to help abate the rapid depletion of our natural resources and supply the minerals and critical raw materials this country will need in the very near future.

To my way of thinking, U.S. foreign aid does not, or never has really paid for itself. Very few countries have given anything of value in return. Those that have done so only in small amounts. Even the loans do not fully pay for themselves. The rate of dollar depreciation is much higher than the low interest rates on foreign assistance loans. And despite the easy repayment terms, several dozen countries are now delinquent in their loan repayments. Delinquent international debts and unpaid claims owed to the United States approach \$60 billion. The United States should not have to negotiate with countries like Iran—for \$12 million in delinquent interest—to get repaid for loans made in good faith.

Foreign aid has not made the rest of the world love us, in fact some of our major adversaries have been heavily subsidized by American taxpayers. Many recipient nations promote anti-U.S. policies on the one hand and willingly accept our foreign aid on the other. Ecuador, which received \$173.2 million in grants between 1946 and 1972 has repaid the kindness by seizing American fishing boats that come within 200 miles of Ecuador's coast, although anything past 12 miles is considered international waters. Thailand, which in the same period of time received \$1,604.1 million in grants from the United States refused to loan \$250 million to the United States—under the Johnson administration—but instead consented to loan us \$100 million on a short term, high-interest rate basis. Thailand, which also maintains a gold and foreign currency reserve of over \$1 billion, is still receiving U.S. aid.

The purposes of foreign aid over the years has been thwarted by recipient governments. It is no secret that many AID programs have often helped "the rich grow richer." Luxurious office buildings, large dams, and other monuments have been erected with U.S. tax dollars, while little has filtered down to the people of those countries.

While this year's authorization is intended to redirect our aid for emphasizing "people program," how effective this new approach remains to be seen.

In any case, studies by the Agency for International Development—AID—show for example, that although the numbers of educated children in the underdeveloped world are rising, the numbers of uneducated children are growing just as fast—because of the population explosion. Sudden changes in weather, causing famine, can destroy years of work, as in West Africa this year. The United States cannot hope to feed and educate a world that is unable to regulate its own growth.

The United States does not have to look abroad for people in need and problems to be solved. We need look no further than our country for great challenges in economic and social develop-

ment. It would be no less humanitarian to spend our money to cure our own problems first. Since America's problems are more finite, and less likely to grow at a geometric ratio, our efforts would be much more likely to succeed if they were made here at home.

While it can be said that foreign aid has done some good for some abroad, has it been worth the tax burden it has placed on our own people or the price exacted to our own economic stability? Truly, foreign aid is like a one-way street. United States money, goods, and expertise flow outward, while little comes back in return. Like a bucket punctured with so many holes, foreign aid drains our own economic vitality and taxes our people with no visible countervailing infusion. Foreign aid is in trouble because its basic concept of, we give and they get, will no longer be swallowed by the American people.

I think it is time we get something of value in return for the aid we do expend. On July 26 of this year when the foreign assistance authorization was before the House, I offered an amendment that would allow the President to enter into agreements with recipient nations to exchange certain U.S. foreign aid they may receive for strategic or critical raw material in their possession, which are in short supply in the United States or the United States requirements of which are not produced domestically. The text of this amendment is as follows:

Amendment offered by Mr. MILLER: On page 37 after line 22 insert the following new section:

SEC. 660. EXCHANGES.—(a) Notwithstanding any authority to furnish assistance under the Mutual Development and Cooperation Act or under the Foreign Military Sales Act, whenever it is in the national interest, the President shall endeavor to insure that, to the maximum extent practicable, such assistance shall be furnished only pursuant to agreements which provide for the exchange of necessary strategic or critical raw materials for such assistance. For purposes of this section, the term "necessary strategic or critical raw materials" means raw materials, including petroleum or other fossil fuels, which (1) are in short supply in the United States or (2) the United States requirements of which are not produced in the United States.

"(b) Any necessary strategic or critical raw materials transferred to the United States in exchange for assistance may be disposed of or transferred to any agency of the United States Government for stockpiling, sale, transfer, disposal, or for other purposes.

"(c) Amounts received from the sale, transfer, or disposal of materials transferred to the United States in exchange for assistance shall be deposited as miscellaneous receipts in the United States Treasury."

The exchange or barter concept is not a particularly new one in the foreign aid program. Public Law 480, the food for peace program, has utilized it for many years under title III. The Commodity Credit Corporation—under the Secretary of Agriculture—used to barter, in the best interests of the United States and where possible, for "strategic and/or other materials" which are not produced in sufficient quantity in the United States to meet this country's needs. Until 1967, when bartering was voluntarily discontinued, the CCC routinely ar-

ranged exchanges through private corporations, usually at world prices.

The CCC received the raw materials and sold these in turn to the General Services Administration which in turn stockpiled them or sold them in a manner which did not disrupt the market. In addition to Public Law 480 barter, a provision of the Foreign Assistance Act of 1961, later repealed in 1967, provided that recipient nations or international organizations pay for the assistance they would receive with "defense articles or defense services" which were to be disposed of or stockpiled by agencies of the U.S. Government. The term "defense articles" was broad enough to include raw material, including petroleum or other fossil fuels.

We have reached a point in our relations with the rest of the world where reenacting such authority and applying it to the entire aid program would serve the national interests. If such authority were broad enough, it would be immensely useful in the future for the exchange of any critical raw materials, as the President may determine, which are needed by the Government or which would otherwise aid the economic security of the country.

There are many raw materials, of which petroleum is an obvious example, which are in short supply in this country or cannot be produced in this country to meet domestic needs. According to the National Commission on Materials Policy, the United States not only faces a fossil fuel shortage but also a pending mineral crisis. Demand for essential minerals is steadily outstripping supplies and we are becoming more and more dependent on foreign sources. The Brookings Institution recently stated that by the year 2000 we will be totally dependent on foreign sources for 12 of the 13 basic raw materials used by our industries.

Right now, imports account for 96 percent of the aluminum we consume, 85 percent of the asbestos, 77 percent of the tin, 52 percent of the zinc, 44 percent of the tungsten, 60 percent of the potassium, 17 percent of the platinum, 74 percent of the nickel, 10 percent of the sheet mica, 95 percent of the manganese, 26 percent of the lead, 28 percent of the iron ore, 18 percent of the copper, 98 percent of the cobalt, and the list goes on.

The Bureau of Mines listed 34 minerals this past June that are or may become in short supply in this country. The list includes aluminum, chromium, asbestos, copper, fluorine, iron, lead, manganese, nickel, petroleum, phosphorus, potassium, and zinc.

The loss or short supply of any of these raw materials could impose severe economic hardship and dislocations. The lack of asbestos, for example, would cripple the auto and foundry industries, and ultimately, much of the rest of the economy. The lack of a metal like aluminum would be equally serious. We already import 96 percent of the aluminum we consume, and our own reserves would last us but 3 years. The shortage of petroleum is already a fact. The outlook for most minerals for the future indicates that domestic demand will outrun production.

The mineral and energy shortages are having a great effect on the American balance of payments. In 1972, our new and processed mineral imports exceeded by \$6 billion our mineral exports. If current consumption and production trends continue, this deficit would be \$18 billion in 1985 and \$44 billion in 2000. If all minerals—including sources of energy, gases, and nonmetals—are included, last year's deficit was \$10 billion, and the deficit will grow to \$40 billion in 1985 and to \$96 billion in 2000.

Almost every nation receiving aid from the United States has an abundant supply of some mineral or material we now need or soon will need. Thailand, for instance, which the United States has always generously given to, is not poor in mineral wealth. That country has large deposits of tin, manganese, and antimony—all materials the United States needs. Thailand is often unable to sell all it can produce. If it wished to continue receiving aid, it could afford to part with materials it might not sell anyway.

Malaysia which needs U.S. aid has reserves of tin and titanium, both are scarce in this country. Ecuador which has many new office buildings built with the help of U.S. dollars, has oil and newly discovered copper reserves which need further development.

Brazil, a major recipient of U.S. aid over the years, has one of the world's fastest growing economies. But Brazil also is a nation blessed with rich, abundant mineral deposits, many of which this country will desperately need in the future. These include bauxite, manganese, barite, chromium, and titanium. Bolivia, while considered poor economically, is rich with large reserves of oil, tin, and iron.

Many nations of the world literally sit atop a vast treasure of abundant mineral and natural resources that could be used to pay for the U.S. aid they receive. The Philippines has reserves of gold and chromium. Venezuela has some of the world's largest reserves of natural gas and oil. Peru has copper, gold, and lead. Turkey has reserves of chromite, boron, pyrite, copper, and manganese.

Indonesia needs continued U.S. assistance. Indonesia is blessed with great and varied natural resources. These include bauxite—which is used in making aluminum—natural gas, and petroleum. Indonesia's resources could be exchanged for the U.S. aid they receive. So could the many resources of Brazil, the petroleum and copper of Ecuador, and many resources of many other recipients.

In most recipient countries, exchange of raw materials with the United States would not constitute an economic hardship, in fact many of them cannot sell all they could produce. Others have new reserves which need to be developed. If the United States were to have accessibility to these reserves, new jobs could be furnished and general internal development enhanced.

Exchanges could be arranged by the Agency for International Development, either through private channels, as in the past, or through direct government to government negotiations. The raw materials could then be transferred to

the GSA for stockpiling and disposal. Much of this could be done with little disturbance of the world markets.

No doubt some will say that placing U.S. aid on an exchange basis would amount to "exploitation" of undeveloped nations. But they would be no more exploited than has the United States over the years in subsidizing nearly every nation on the face of the globe. There is good precedent for exchange under Public Law 480 and the Foreign Assistance Act of 1961.

This country simply cannot afford to continue sending billions of dollars overseas and get nothing in return. To this end, substantive proposals should be entertained to redefine and reform foreign aid and thus give it new acceptability and purpose. At the time of the floor discussion on this subject, I did receive the commitment of the Foreign Affairs Committee chairman, the committee's ranking minority member as well as the chairman of the Foreign Affairs Subcommittee of the House Appropriations Committee to pursue the language of the amendment further. I intend to press for its enactment.

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

Mr. MILLER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I commend the distinguished gentleman from Ohio for his suggestions. This is the gentleman who drafted the language that we find in our report and a very capable member of the subcommittee. In my considered judgment his idea can accomplish a great deal if it can be developed.

I support him and I certainly hope the bill carries.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Chairman, this provides \$5,833,912,000 for the next year which is an increase of \$2,180 million in spending on the foreign handout program for fiscal year 1973. There is according to the report, almost \$25 billion more in the pipeline, and bear in mind that this giveaway began in 1947 as the Marshall plan. It was to cost \$5 billion per year for 5 years, and then it was to be out, over, and ended.

This foolishness has cost American taxpayers since its inception, according to the report by the committee—this foreign handout program—\$253,171,100,000.

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

Mr. GROSS. In a minute or two.

You are actually looking at a frightened Member of Congress. Some nights I actually do not sleep three hours because I find myself unable to get through to some of the witnesses and to get through to the American taxpayers just what we are doing to them.

The point is that if we do not come down out of these dream clouds about what these programs cost, we are actually going to destroy the economy of America.

I just do not know how we are ever going to bring it under control unless we just defeat the entire foreign aid package.

Those are not my words, not a single one of them. Those quotes belong to the

gentleman from Louisiana (Mr. PASSMAN).

Let's get this in the proper perspective. Gentlemen, we are ruining this country with the aid program. We all know that we have been so free and so generous until we are in trouble, not just our balance of payments situation but we are now running a trade deficit. We are not unmindful that there are about 80 billion U.S. dollars just floating around in the world that people don't want. Nations are running from them. Individuals are running from them. I do not know what happened to the dollar this morning, but we know that it has lost substantial purchasing power. The dollar has lost about 30 percent of its value against popular foreign currencies. The time has come to bring this under control.

So sayeth the gentleman from Louisiana (Mr. PASSMAN) and yet he is here with a bill today calling for \$5,833,912,000 to be spent on more than 100 foreign countries.

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

Mr. GROSS. I am delighted to yield.

Mr. PASSMAN. Mr. Chairman, let me explain this pipeline; \$8.5 billion of that will be used by the Export-Import Bank; \$9.5 billion of it is money we appropriated for multilateral organizations for callable capital which they use to borrow funds, so we are up to \$17 billion that we could not possibly have a loss on. It is merely an appropriation.

In addition to that, 98 percent of the remainder is obligated for ongoing projects. The reason the bill is high is because we have \$2,200 million in here for emergency security assistance for Israel which the gentleman's committee brought out this afternoon and passed the authorization by about 6 or 7 to 1.

Mr. GROSS. Just a minute, do not take all my time.

Mr. Chairman, I do not yield any further at this time except to ask the gentleman one question which he can answer "Yes" or "No." Did he vote for the bill that just went through?

Mr. PASSMAN. I voted for the Israel legislation, the \$2.2 billion.

Mr. GROSS. That is what I thought.

Mr. PASSMAN. I thought the gentleman voted for it, too. Did the gentleman not vote for it?

Mr. GROSS. What is that?

Mr. PASSMAN. I thought the gentleman voted for it. Did the gentleman vote for the \$2.2 billion?

Mr. GROSS. I would have had to be out of my mind to vote for it.

Let me ask the gentleman this question: How much money did that figure out for every man, woman, and child in Israel?

Mr. PASSMAN. Well, Mr. Chairman, I did not specialize in mathematics, but the gentleman from Maryland (Mr. Long) has given us some figures which we can make available.

I will tell the gentleman that it is quite substantial.

Mr. GROSS. Would that figure be about \$900 for every man, woman, and child in Israel?

Mr. PASSMAN. The gentleman is giving us the figure.

Mr. GROSS. I will ask the gentleman if there has been that kind of windfall



lately for every resident down in Louisiana?

Mr. PASSMAN. Well, we do get some assistance.

Mr. GROSS. We do not get that kind of treatment in Iowa.

Mr. PASSMAN. I will agree that that is a pretty good windfall. I thought Iowa had it, too.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GROSS) has expired.

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

Mr. GROSS. Mr. Chairman, I thank the gentleman from Kansas for yielding me additional time.

I suggest that the Members read the hearings in connection with this bill, and if they can then adjust themselves to accept this legislation they have a better digestive system than I have.

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

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

Mr. PASSMAN. Mr. Chairman, I am sure the gentleman would not want to chastise this humble country boy, because I gave him a complete report with all the facts that were before us. I would suggest the gentleman could get reelected on those statistics.

Mr. GROSS. Is the gentleman saying that I can be reelected on these statistics?

Mr. PASSMAN. These statistics here.

Mr. GROSS. I would hate like hell to run my district on a record like that; of having voted to spend \$253 billion on so-called foreign aid.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. LONG of Maryland. Mr. Chairman, on the question of the so-called windfall for Israel of approximately \$900 for every man, woman and child, let me point out—

Mr. GROSS. Mr. Chairman, may I ask, how is Maryland getting along? Has it gotten a windfall lately of \$900 for every man, woman and child?

Mr. LONG of Maryland. If the gentleman would allow me to comment on it, let me point out that Israel suffered losses in this war which are greater than those we have suffered, based on population, in any war since the Civil War, except for World War II.

Let me point this out—

Mr. GROSS. Mr. Chairman, why does the gentleman not get his own time?

Mr. LONG of Maryland. Well, Mr. Chairman, the gentleman made a comment, and he wanted to ask a question, and I have tried to answer.

Mr. GROSS. The gentleman is not trying to answer. He is giving me a lot of malarkey.

Mr. LONG of Maryland. The average Israeli worker is not getting any windfall, and he is suffering the greatest reduction in his standard of living than probably any worker or any person has ever suffered in a comparable period in history.

The CHAIRMAN. The time of the gen-

tleman from Iowa (Mr. GROSS) has expired.

Mr. SHRIVER. I yield the gentleman 1 additional minute.

Mr. GROSS. Mr. Chairman, I believe it was the gentleman from Maryland who made a statement a little while ago about foreigners having to stand in line to obtain funds from this country.

Our people are standing in line in this country waiting for their funds the White House has impounded, and yet the gentleman has the nerve to peddle another bill providing almost \$6 billion through this aid program to foreigners.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I will yield if the gentleman can contribute something to make sense out of the fact that we are giving away \$6 billion to foreigners when our own people need help.

Mr. LONG of Maryland. Mr. Chairman, I understand that.

I would just like to ask whether the gentleman would be willing to trade places with even the most affluent person who is living in Israel right now, who is on the firing line of that country and who is paying half of his income in taxes and the rest in all kinds of other costs and suffering one of the drabest existences of probably anyone in the world.

Would the gentleman be willing to trade places?

Mr. GROSS. Mr. Chairman, that is a hell of a question to ask me—if I want to trade places with some foreigner. The answer ought to be obvious.

Mr. PASSMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I have long been a critic of foreign aid, hoping for years that we could reduce this program.

The reason we have foreign aid—and why we have never been able to end it—is the Soviet Union. The Soviets have instigated, financed, and supplied weapons for war after war, and have forced us to provide vast quantities of arms, weapons, supporting assistance, and rehabilitation aid to country after country under threat.

We shall never be able to get out of the business of foreign aid until we can get the Soviet Union to alter its policy of worldwide revolution, subversion, and aggression.

This administration made its greatest blunder when it came to the aid of the Soviet Union with wheat, trucks, and loans, without getting an agreement from the Soviets to stop instigating aggression after aggression—most recently the foul attack by the Arabs on Israel.

This bill is a good bill. Bilateral aid is targeted toward poor people, a new development we have been urging for a long time. There are cuts in many programs. The biggest single item is the \$2.2 billion—which I have supported most enthusiastically—to go to the State of Israel, attacked by surprise by 100 million Arabs on a sacred day.

Israel is the only reliable bulwark in the Middle East against Russian domination of 70 percent of the world's oil.

We have given billions and billions of dollars and sent men to fight in country after country for people who would not fight for themselves. Israelis are willing to fight. This itself is something new in our foreign aid experience.

The Russians have been pouring arms into the Arab nations at a rate three times that of our supply of arms to Israel. Can we deny Israel the means to defend itself?

Because of the war, Israel's economic growth rate is projected to drop from 9 percent to about 2 or 3 percent. Its exports are falling drastically, and thus foreign exchange earnings will fall. Ten to 15 percent of Israel's civilian labor force is still mobilized. Combat losses have been relatively greater than those suffered by the United States in any war except World War II and the Civil War. Israeli external debt is \$5 billion with debt service currently \$700 million per year.

The Israeli taxpayer according to the gentleman from Iowa, is supposed to be getting a marvelous windfall. Well, an Israeli worker earning \$500 a month pays \$200 a month, or 40 percent of his income, in taxes and in compulsory and voluntary loans to the Government. And this \$200 does not even include municipal and property taxes and health insurance payments. As a matter of fact, the effective tax rate of the average Israeli is probably greater each year than that of the President of the United States.

The Arabs can buy tremendous amounts of weapons from the Soviet Union and pay for them with oil revenues. Providing less than this \$2.2 billion to Israel will suggest a softening of U.S. support of Israel, and a surrender to Arab blackmail.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman for the additional time.

Mr. Chairman, we have allowed ourselves to become vulnerable to a small number of countries, of which the Arab countries are of course a part, in our dependence on external sources for essential raw materials. An embargo is likely to come from any one supplier or cartel, just as it has from the oil producing Arab States. An embargo has always been considered under international law as an act of war. I proposed, although it was not accepted in the committee, that we exert countervailing pressures by cutting off arms sales. Others have suggested a cut-off of wheat. We ought to consider these in future legislation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. PASSMAN. I yield 1 additional minute to the gentleman from Maryland.

Mr. LONG of Maryland. Again I thank the gentleman from Louisiana for this additional time.

Mr. Chairman, I might point out that I have been concerned about aid to Cambodia, and I was proud to take a leading role in ending U.S. combat operations in Cambodia in May and June of this year.

I visited Cambodia in August, and saw for myself the suffering and destruction that war has brought to that country. We bear major responsibility for the suffering of Cambodian war orphans, widows of Cambodian soldiers, and wounded veterans. At present, few, if any, programs for relief of these victims exist.

However, at my suggestion, we do have language in the committee report to earmark some of the funds provided for Indochina reconstruction assistance for war orphans, war widows, and wounded veterans. We must help the victims of this war, a war they did not start. When I was in Cambodia, Cambodian officials to whom I talked just asked for weapons with which to defend themselves. We are providing that, but we must also concern ourselves with humanitarian aid. To the credit of the committee and its great chairman, we are fulfilling that need also.

Mr. Chairman, I want to pay tribute to the gentleman from Louisiana (Mr. PASSMAN). I have worked with the gentleman for many years. The gentleman always knows his bill backward and forward. I am proud to be associated with the gentleman in support of this legislation.

Mr. SHRIVER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, several things that we did in the committee have been mentioned by the gentleman from Kansas. I offered a motion to put in the report the \$712,000 for the Center for Reconstructive—Plastic—Surgery in Saigon, and also \$5 million to go for assistance to South Vietnamese orphaned children. This \$5 million would be used to furnish assistance and facilities for the children damaged by the hostilities, and provide facilities to assist U.S. citizens in the adoption of orphans and abandoned South Vietnamese children.

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

Mr. CONTE. I will be glad to yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I want to tell the gentleman from Massachusetts how important I think the gentleman's amendment is, and to congratulate the gentleman and the subcommittee and the full committee for making those provisions which are very important to these people.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Minnesota (Mr. FRASER) because it was the gentleman from Minnesota who wrote to me on November 26 and brought this to my attention, and I was pleased that the committee saw fit to put this in the report.

Also in the full committee I was able to put in an amendment stating that the loan which is going to Israel should be repaid in a 25-year period, instead of the present 10-year period.

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

Mr. CONTE. I am happy to yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, it was the distinguished gentleman's language.

He drafted it and the language was adopted in full committee to extend the terms to 25 years. I want to commend the gentleman from Massachusetts for submitting this language.

Mr. CONTE. I want to thank the gentleman from Louisiana. We worked together on this bill. I had taken a sabbatical leave from the committee. I had been on the panel, I believe, 12 years and finally left it and, this year, I am back again on the committee. It is a great experience. I have gone back on the committee as the low man on the totem pole, but I enjoy this particular assignment. It is good to be back with my old friend, the gentleman from Louisiana, and, of course, my good friend, the gentleman from Kansas, in handling this very difficult, yet necessary, bill.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I came across a colloquy in the hearings in which the gentleman from Massachusetts, presently in the well of the House, engaged with Mr. Rush, of the State Department. I gain from that colloquy that Israel is going to expect about \$500 million a year from the United States. Is that true?

Mr. CONTE. That is right.

Mr. GROSS. In addition to the \$2½ billion in this bill, they are going to want \$500 million a year from now into perpetuity?

Mr. CONTE. In future bills.

Mr. GROSS. In future bills.

Mr. CONTE. I think the gentleman from Iowa stated it correctly.

Mr. Chairman, I was a young man of 20, learning to set type for the Berkshire Evening Eagle, when President Roosevelt spoke these words on this floor:

Yesterday, December 7, 1941—a date which will live in infamy—the United States of America was suddenly and deliberately attacked by naval and air forces of the empire of Japan.

On that day, I felt the earth move. Shortly thereafter I drove to Albany, N.Y., with my father and enlisted, and in a very real sense, my life has never been the same since.

So I believe that I can appreciate the feelings of the young men and women of Israel, when, on Yom Kippur, their holiest of holy days, they were "suddenly and deliberately" attacked by the numerous Arab States which surround them. They too have a date that will live in infamy.

From a state of almost complete immobilization, Israel gathered together the available strength she had to repulse her invaders and won a long-needed cease-fire.

It was a hard struggle for Israel, and the suffering that it brought to so many within that country was a heavy price to pay, not for the glory of victory, but for the ambiguity of cease-fire. The visitor to Israel today will find, not a people triumphant, but a people bearing up under the severest hardships with a determination that is awe inspiring.

We have here today a piece of legislation which is rightly termed "emer-

gency security assistance" for the nation of Israel; \$2.2 billion has been requested, and \$2.2 billion is being recommended to you.

It is absolutely essential that we contribute to restoring the integrity of the Israeli defense establishment.

First, let me point out that the hostilities of this past October were as costly in their conduct as they were tragic in their consequences. This was not the 1967 war, this was a protracted conflict in which Israel suffered major losses in manpower and in its inventory of equipment. Unlike 1967, when a relatively quick demobilization enabled a rapid return to normal production schedules, the implementation of a cease-fire requires the maintenance of long communication lines and a good part of Israel's citizen army at the fronts. So the cost continues, and manpower is still tied up.

This war has cost Israel to date \$7.1 billion. During every hour that an Israeli man or woman fought off the destruction of family, friends, and all that 25 years of dedicated effort has produced, \$10 million was drained from Israel. The horrendous cost of this war to the Israeli people can best be appreciated when compared to their \$8 billion gross national product and \$5 billion national budget.

Israel's industry is off by 50 to 75 percent as a result of the unprovoked attack on her. The reduced production has brought about a loss of \$480 million. The war has caused a severe shortage of trucks. Vital supplies are backed up in port and manufacturers are having difficulties transporting their products.

The national income resulting from tax revenues has jumped from 35 to 53 percent as a result of a compulsory "war loan" of from 7 to 12 percent.

The wage earner on the street is taking home only 45 percent of his gross earnings. For example, a wage earner making \$714 a month will pay \$217 a month in income taxes, \$38 as part of an old compulsory loan, another \$38 for this new loan, and \$24 in social security payments. This leaves him a net of \$397 a month "take-home." If this employee contributes a month's salary to the new voluntary funds drive and pays in six settlements, as is the usual case, another \$119 would be deducted each month for the next half-year. That would leave him with only \$278 of his \$714 gross.

Israel, then, is bracing for a prolonged period of severe economic austerity. Enormous defense expenditures, manpower shortages, and inflation as a result of accelerated government spending are all in Israel's immediate economic future.

Second, for the first time in a quarter of a century, Arabs and Israelis are seated at the negotiating table. Israel can ill afford to bargain from a position of weakness within the severe military context of these diplomatic negotiations. There must be no doubt in anyone's mind that the United States is prepared to replace Israeli losses with the additional equipment necessary to maintain the balance in the Middle East. If the issues can be solved by a belligerent attack in a moment of Israeli weakness, what incentive is there for meaningful dialog at the conference table.



The losses incurred upon themselves by the Arab States have been and are now being replaced by massive Soviet resupplyment of such items as Mig 21's, surface-to-air missiles, the frog surface-to-air missile, and other sophisticated weaponry. And never is heard a discouraging word when it comes to repayment terms.

Israel has purchased nearly \$1 billion in equipment from us since the start of the war. She indicates she will need \$3 billion worth. Without authorization for foreign military credit sales, we are forced to require cash payment for the equipment already purchased by next February or March. This is an impossibility for them.

Upon my motion, the committee adopted the recommendation that the repayment period for Israel be extended to 25 years because of her anticipated financial difficulties. Reports have already reached us that she may require up to \$500 million a year in economic aid.

The Appropriations Committee recommends \$2.2 billion for emergency assistance. A lesser amount could mean another request at a time when granting that request would jeopardize our efforts at the negotiating table.

Foreign aid, in the form of international development assistance and security aid, yes, we will even have to throw in the Public Law 480 agricultural commodities section, still comprises less than 3 percent of our total budget. Now, I know there are some who would throw in the kitchen sink to puff up this percentage, but these are the basic programs we deal with in discussing the aid program. In this same vein, we are led to believe in another section of the report—page 5—that our public debt, which is now at about \$462 billion has increased \$203 billion during the same period of time that the foreign assistance program has cost the U.S. taxpayer approximately \$253 billion. It would be very easy to assume that foreign aid comprised over half the national debt. This is wrong. We should keep in mind the fact that it is less than a 3-percent item in the budget.

I would also take issue with the use of Korea and Vietnam as being the best illustrations of the worth of U.S. aid efforts. All of the countries of Western Europe that have depended on us to maintain their freedom would display wide-eyed amazement to see these countries labeled as the best examples of our aid.

Under the heading of U.S. International Balance of Payments—page 12—we are given a heady listing of the U.S. record for the last 23 years, all of which, save two, were deficit years. We are also told that soon after the foreign assistance program was started, the U.S. international balance of payments began to experience large deficits. That is quite a comparison, and one which raises a few questions. We have been supplying our NATO troops to the tune of \$17 billion a year for some time now. How does this affect our balance of payments? Second, what would have been our deficits had

we not provided foreign assistance and Europe had fallen?

We can look with pride at data showing our present improving balance-of-trade situation—in the third quarter of this year, there has been a \$1 billion favorable shift in our merchandise trade balance, resulting in a \$1.2 billion improvement in the balance on goods and services in this period, to an estimated \$1.8 billion surplus.

Many would advocate the position that our aid program is a huge giveaway. Let me say right now that there is nothing wrong with giving. It is throw-aways that we must guard against. Has our aid program been a waste? I would like to offer a few examples to answer that question.

The Export-Import Bank's operations have resulted in an increasingly large positive impact on the U.S. balance of payments. During fiscal year 1971, repayments of principal and interest on the Bank's loans and guarantees, cash payments on export shipments and overseas sales of loans, resulted in a contribution of more than \$2.3 billion to the nation's balance of payments. In fiscal year 1972, the amount increased to \$3 billion. In fiscal year 1974, we expect a figure of \$3.6 billion.

The worth of the Overseas Private Investment Corporation was best stated recently by Secretary of State Kissinger when he said:

Significant investment benefitting the United States, as well as developing countries might not go forward in the absence of OPIC programs.

This agency encourages U.S. private investors to play a constructive role in the economic and social progress of friendly developing nations in which 70 percent of the world's population lives.

Lastly, the international institutions of which the United States is a member—the World Bank Group, the Inter-American Development Bank, and the Asian Development Bank—have gradually moved into a leading role in economic development assistance. Moreover, the burden of this assistance has been increasingly shared among the developing nations participating. These multilateral banks operate in the black and cover their own administrative costs. The bulk of the world banking administrative budget of about \$100 million is spent here in the United States. Bonds of the international institutions carry the highest rating—triple A. They have sold in capital markets around the world.

In toto, these are not what we can characterize as give-away programs. They are soundly run organizations which have achieved what they were designed to do.

Through United States foreign aid we strengthened the muscle of post-war Europe to withstand the expansion of communism. We have contributed to the astounding growth of developing nations so that their economies could grow at an average rate of 5.6 percent; so that their manufacturing output increased by 90 percent; so that their food production rose by one-third.

We have the opportunity to continue. I urge your support for this measure.

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

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

Mr. GUDE. Mr. Chairman, I commend the gentleman from Massachusetts for his articulate and concise statement.

Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, in particular I would like to direct my attention to the \$2.2 billion in aid to Israel.

The Soviet Union has made a major effort to resupply the Arab forces with arms since the outbreak of hostilities on October 6, 1973. The United States, a number of weeks ago, made the decision to initiate its own arms shipment in order to maintain a balance of forces in the Middle East.

The House Foreign Affairs Committee has reported that Israel's relative military strength has now been restored to its pre-October 6 level. The Defense Department, however, has made an assessment of Israel's military needs and has concluded that an additional \$1 billion in arms may be needed.

To date, Israel has paid for our weapons with cash and credits, not grants. Israel cannot, however, pay for the \$1 billion in arms which the United States has shipped in the past 2 months without irreparable harm to her economy. At present more than 25 percent of this tiny nation's GNP is spent on defense. The recent war has seriously disrupted Israel's economy. She has a foreign debt of approximately \$4 billion and her ability to earn foreign exchange has been impaired.

The \$2.2 billion in aid which we are considering today would greatly alleviate Israel's economic stress; \$1 billion could be applied to the debt Israel has incurred so far. The balance could be applied to the military aid she will need in the future. The specific amount and whether it will be in the form of credits or grants will be up to the President to determine as circumstances dictate. Certainly, if a lasting peace can be established and Israel's security can be guaranteed, all the money may not be required.

Secretary of State Henry Kissinger recently stated:

The United States has supported Israel because of the emotional ties that have existed, because of the democratic tradition of Israel, because of the fact that it is a going concern in this area, and because, as I have said, of our opposition to the domination of one nation by force by others.

Mr. Chairman, I strongly support the efforts of this Government to secure a lasting peace in the Middle East. None of the nations in this region can sustain prolonged hostilities. I feel that this legislation will help bring this about because it will assure a strong, secure Israel at the bargaining table. If the Arab States believe that we will abandon Israel, they will have no reason to accept a compromise solution. And compromise will be required if a lasting peace in the Middle East is to be attained.

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

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

Mr. GROSS. Mr. Chairman, my memory is not very good, but I go back to 1967 and recall that in that year Israel started a war and really worked over the Arabs.

I do not recall, however, any bill before the Congress to resupply the Arab military needs. Does the gentleman remember any bill being put through Congress to reequip the Arab nations to maintain the balance of power as the gentleman suggests at that time?

Mr. CONTE. That is a very good question. Let me say this, and the gentleman, I am sure, is aware of it. We have given a tremendous amount of aid to the Arab countries. I do not have the figures at my fingertips. We have given a lot of assistance to Jordan, about \$1 billion, to try to maintain the balance of power there. We have given aid to Iran, Iraq, Kuwait, Lebanon, and Saudi Arabia.

In this bill, even though as the gentleman says, it is an illustrative bill, there is money for military assistance to some of the Arab States. There is \$6 million in it for the American University at Beirut. I think over the years we have given over \$85 million to the American University of Beirut.

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

Mr. CONTE. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. I thank my distinguished colleague for yielding. I want to associate myself with the remarks of the gentleman. They cover the situation very well. I will be offering an amendment later that has something to do with what the gentleman has said. I commend the gentleman for his fine statement in behalf of the bill.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

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

Mr. LONG of Maryland. Mr. Chairman, I might point out that we are a great supplier of arms, incidentally, to the Arab countries, not only in our foreign aid legislation, but also in our military aid.

In our procurement bill we had money for Saudi Arabia and others in this year; we cannot claim we are just being one-sided.

Mr. PASSMAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I wonder if the gentleman would mind answering a question? The President requested a \$10 million amount for the United Nations Environmental Fund. That request had received enthusiastic support at the Convention in Stockholm last year. This bill cuts it by \$5 million, to \$5 million. There is a concern on the part of some that this might signify a lack of interest on the part of the United States in this program.

I would like to ask if this does indicate any hostility toward the program on the part of the gentleman, or would the gentleman be willing to look at it with an

open mind were \$5 million added in conference on the other side?

Mr. PASSMAN. May I assure the gentleman that no one on the committee is prejudiced against the item. It is a new line item in the bill. We are concerned with environment in this country, however, we thought we would start out gradually since this was a new program. We will certainly look at it very closely if it is presented again later.

Mr. OBEY. I would hope if the amount is increased on the other side that the gentleman would be willing to look at that amount, in line with the commitment made in Stockholm. We are the greatest polluter in the world by far, and it is a tiny amount in comparison to some items in this bill.

Mr. PASSMAN. However, from little acorns big trees grow. We thought we had better take a good look at the program. I assure the gentleman, regardless of the position on the other side, we will look at it. We will not promise to support it, but we will again consider it in the future.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York.

Ms. ABZUG. Mr. Chairman, I wonder if the gentleman would explain the amount of money in this appropriation for Cambodia and where is the authorization for the money requested?

Mr. PASSMAN. I might say to the distinguished gentlewoman, this bill came to the floor with a rule waiving points of order. That is the purpose of getting a rule, so that in the event these questions arise we can satisfy the Members asking questions, such as where did we get the authority.

I might say that the administration requested \$200 million for Cambodia, and the committee in its wisdom reduced it by \$50 million, so that the amount in this bill is \$150 million for Cambodia.

Ms. ABZUG. Mr. Chairman, in reading the conference report on the Foreign Assistance Act of 1973, on page 36, I notice in the paragraph on the "Special Drawdown Authority," that the President has special authority to draw down defense articles from the stocks of the Department of Defense, and in that paragraph it states:

It is the intent of the Committee on conference that \$200 million of the emergency military assistance required for Cambodia be furnished pursuant to the authority contained in this section.

Is this \$150 million in this appropriation bill in addition to that authority?

Mr. PASSMAN. No, it is not unless a further need is necessary. We tried to legislate in such a way that the drawdown authority will never have to be used. Of course, we provided funds to Israel under a similar arrangement in the Foreign Military Sales Act. The Members indicated their interest by voting a while ago to assist our friends in Israel, but we tried very hard to pass legislation with adequate funds to carry out the commitment.

I may say this, that it seems that the witnesses who appeared before our com-

mittee placed the same emphasis on Cambodia as they did on Israel. They say on page 151 of the hearing that aid to Cambodia is urgent and if we did not provide this money, they would take it out of all of the other military support money. That is how urgent this Cambodia money is.

Ms. ABZUG. Mr. Chairman, I would just like to ask one more question. In view of the statement in the conference report that it is the intent of the committee of conference that up to \$200 million of emergency military assistance requirements for Cambodia be furnished pursuant to this drawdown authority, is it not possible that we will actually use that money in that way?

Mr. PASSMAN. If we had not provided for Cambodia in this bill with a direct appropriation then of course, on account of the money for Cambodia being urgent, they would have had to use the drawdown authority. But since we put the money in the bill, I question whether they will ever use the drawdown system unless the situation becomes worse and they have to have additional funds.

Ms. ABZUG. If we appropriate the \$150 million for Cambodia, there is still nothing that would stop the President from using this drawdown authority in addition, is that not correct?

Mr. PASSMAN. Yes, and the same thing applies to Israel. We gave Israel \$2,200,000,000 plus \$300 million in other ways. The President could draw down additional funds. It applies to all nations.

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

Ms. ABZUG. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, the gentlewoman from New York should not be worried about \$6 billion in appropriations for Cambodia, Israel and some 128 other countries, because I am sure the President, operating on a tight budget and insisting he is waging a fight to the death with inflation, will veto this bill. He cannot do anything else under the circumstances.

Mr. PASSMAN. Mr. Chairman, I know the gentleman is in very close touch with his President. I wish he would inform the Committee if he is going to veto it.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 11771, the foreign assistance appropriation for fiscal 1974, though I do so with some reservations and the intention of supporting at least one amendment which will be offered to this bill. The bill before us appropriates \$5.83 billion in fiscal 1974 for foreign assistance and related programs, a 15-percent reduction in the administration request, or \$1 billion less than the budget figure. Let me say at the outset that I am pleased that the Appropriations Committee has approved in full the \$2.2 billion in emergency military assistance for Israel which we have authorized earlier today in H.R. 11088. I think this was both a responsible and necessary decision on the part of the committee, given the tenuous peace in the Middle East and therefore the need to maintain a military balance.

The bill before us today, while it is \$1 billion less than the administration re-



quest, is some \$2.2 billion more than the amount appropriated in fiscal 1973. This increase is primarily due to the emergency situations which have arisen around the world in the past year, including not only the Middle East war, but the Pakistan floods, the West African drought, and the Nicaraguan earthquake.

Nevertheless, I am disturbed by some of the cuts which have been made by the committee in the area of economic assistance, totaling more than \$300 million. These reductions have fallen on postwar Indochina aid—a \$132 million reduction—on development assistance—a \$139 million cut—on disaster relief—a \$50 million reduction—and on the U.N. environment fund—a 50 percent cut of \$5 million.

As one who has long supported a responsible U.S. role in helping developing nations help themselves, and as one who has supported the new directions in U.S. development assistance designed by the administration and our own Foreign Affairs Committee, I am discouraged by this less than bare-bones approach to our longstanding international moral commitments.

This bill particularly reflects a lack of confidence in our commitment to the multilateral approach to economic development assistance which is such an integral part of those new directions. The committee report cites as its reasons for this the diminished degree of detailed examination and control we have over the expenditure of U.S. funds through multilateral channels. While this argument cannot be challenged as a matter of fact, it is distressing in that it does not come to grips with the needs for a greater burden sharing and partnership among nations in the development effort.

It seems a bit ironic to me that we would be moving in the direction of greatly trimming our own bilateral efforts without providing some compensatory support mechanism for development assistance through multilateral institutions. The problems of world poverty, pollution, and overpopulation are increasing and not decreasing. In the face of this worsening situation, I cannot see how we can justify a reduced world role for ourselves. I am not arguing that we are obliged to shoulder the lion's share of the burden as we did in the fifties and sixties.

It is obvious that in the post-Vietnam era our Nation is neither interested in being the world policeman or its chief development agent. The new emphasis is rightfully on greater burden sharing and partnership both in the areas of security and development. But this new low-profile approach should not be twisted into a no-profile or neo-isolationist approach. If we are serious about burden sharing and partnership, we must demonstrate a willingness to contribute our share to cooperative or multilateral efforts.

We cannot insist on the same type of control and predominance we once exercised if we are sincerely interested in making multilateral institutions viable. It seems to me a commitment to these institutions is the responsible middle course between the dangerous anachro-

nisms of American predominance and isolationism.

In the time remaining, Mr. Chairman, I wish to address myself to the amendment which will be offered later by the gentleman from Alabama (Mr. BUCHANAN) and the gentleman from Illinois (Mr. DERWINSKI), to restore funds for the United Nations development program. This bill provides \$70 million for UNDP, a reduction of nearly \$20 billion from the administration request. In addition, the bill prohibits the transfer of \$20 million from the fiscal 1974 appropriation to the fiscal 1973 U.S. contribution to UNDP. That transfer would have permitted us to bring our 1973 contribution up to the level of the commitment we had made. The combined effect of the \$20-billion cut and the transfer prohibition is a \$40 billion shortfall in our contribution to UNDP over the 2-year period.

As the administration request originally stood, the \$90 million request for UNDP would have put our 1973 contribution at 27.9 percent of the UNDP total and 23.6 percent of the 1974 total. The latter figure is lower than our newly negotiated assessed contribution of 25 percent. The committee cut and transfer prohibition will mean a substantial cut below our assessed share and can only be interpreted as a reneging on an international commitment and a lack of confidence in this most vital development program. I therefore intend to vote for that amendment to restore funds for UNDP at the appropriate time, and urge my colleagues to do likewise.

Mr. HALEY, Mr. Chairman, although I support appropriating funds for the Emergency Security Assistance Act which this body passed earlier, which authorizes aid to Israel, and which is to be funded under this bill before us today, I do not favor passage of the foreign assistance appropriation bill for 1974.

In the foreign aid program as it has grown over a quarter of a century, there has been an inordinate waste of tax moneys. In view of our critical needs domestically, it seems to me that the foreign aid expenditures cannot be rationally defended. This is so—not because foreign aid has never done anything beneficial—but because the programs' bureaucrats have lavished money on one project after another whether needed or not, and the end result of this extravagant investment has been no more than a puny dividend in terms of purchased friendships.

The general proposition that Americans should be taxed so our Government can support everywhere good works that properly should be supported by private charities is preposterous. Private charities derive funds from voluntary contributions; Government charity uses the involuntary contributions of citizen-taxpayers.

Mr. Chairman, I regret that appropriation for the Emergency Security Assistance Act have been tied up with the foreign aid appropriation legislation. I believe the two should have come to the House separately. Many of our colleagues will undoubtedly be caught in the di-

lemma of wanting to support appropriating for the Emergency Security Assistance Act but wanting also to maintain their opposition to the overall foreign aid appropriations bill. I am among that group and will vote against this bill while urging that if the bill should be defeated that a new bill funding the Emergency Security Assistance Act should be immediately brought before us for a vote.

Mrs. HECKLER of Massachusetts, Mr. Chairman, the State of Israel must have the means to insure its survival if there is to be any hope for a lasting peace in the Middle East. The critical negotiations planned in Geneva will surely fail if the balance of power is allowed to tilt sharply in favor of Israel's enemies.

Arabs and Israelis suffered terribly during the recent Yom Kippur war, and now both sides, finally, seem willing to sit down and settle their differences at the conference table. I pray that the talks succeed.

However, as you know, Russia continues to pour tons of sophisticated military hardware into the area to revitalize the Arab armies. Israel sustained heavy losses both in manpower and equipment during the bloody October fighting. If this continues, the resulting imbalance can only encourage another senseless holocaust with the threat of escalating into world war III, a war that no one can win.

Israel's military losses must be replaced. Therefore, I urgently call for prompt passage of H.R. 11088, authorizing \$2.2 billion in emergency security assistance for Israel. In addition to helping replace the armament losses, this bill authorizes payment of the U.S. share of the United Nations Emergency Force out of these funds.

However, assistance will be limited to \$1.5 billion unless the President determines the remaining \$700 million is indispensable for Israel's defense and justifies the expenditure to Congress.

The State and Defense Departments estimate the \$2.2 billion is sufficient to bring Israel back up to strength to discourage a further outbreak of hostilities and allow the tiny nation to negotiate with confidence and success. The Yom Kippur war must be made the final war to shatter the Middle East.

Since I have been in Congress, I have maintained an interest in Israel. I have visited Israel personally, and I have great respect for its people. The Israelis have a right to survival and the enjoyment of their nationhood. The Arabs have the same right, and I hope for the sake of all us, these great peoples can settle their differences.

I traveled to Russia as well, to urge that the cruel restrictions be removed and Soviet Jews be allowed to emigrate freely to Israel. I strongly oppose the so-called "education" tax that Russia was requiring of those desiring to leave.

While the Soviet Union waived this ransom under U.S. pressure last April and has not levied it since, Soviet Jews still have formidable hurdles on their journey to freedom. Often visas are denied for trumped-up reasons of "security" or sometimes for no official reason at all.

As long as this continues, I will oppose granting the Soviet Union most-favored-nation status in trade relations with the United States.

We cannot put our conscience to one side in an effort to improve relations between nations, no matter how desirable this end may be. The cost would be too high.

Nor can we afford to be less than even-handed in our relations with any of the nations in the Middle East. The \$2.2 billion in emergency assistance for Israel is aimed not at giving that nation military supremacy in the area, but merely to bring it up to parity with the Arab nations into which Soviet arms continue to flow. Hopefully the nations of the Middle East will finally learn to resolve their differences not by force of arms, but by the greater forces of persuasion and negotiation.

The might of reason must prevail if there is ever to be a true and just peace in a land that is holy to three of the world's great religions.

Mr. FASCELL. Mr. Chairman, the U.N. development program and the U.N. environment program deserve generous support from the United States. It is important that the United States contribute to those two programs at the level set by the foreign aid authorization bill—\$90 million for UNDP and \$10 million for the environment program.

The cuts recommended by the Committee on Appropriations in these two programs would be harmful to our national interests. In the case of the U.N. development program, the committee allows only \$70 million for UNDP for fiscal year 1974, which would bring the U.S. percentage of UNDP total contributions down to 19 percent for fiscal year 1974. The United States already ranks very low among contributors to UNDP in terms of gross national product. For us to exacerbate that tendency would be unworthy of the United States as a world leader, especially when other countries are making big increases in their contributions.

Another important point to remember regarding UNDP is that up to 80 percent of U.S. contributions return to the United States in the form of payments for grants, services, and contracts.

The U.N. environment program is an activity which will benefit the United States directly in the work that it does to combat environmental decay throughout the world. It is just getting its start this year. Other nations have already budgeted large amounts and for the United States to do less than its share would be a grave mistake.

I urge all of our colleagues to vote for full funding as already authorized for these two programs. It will be money well spent.

Mr. SHRIVER. Mr. Chairman, I have no further requests for time.

Mr. PATTEN. Mr. Chairman, I rise today to speak in support of the foreign aid appropriations bill generally and funds for Israel specifically.

My father always told me one thing when I was growing up: "Never forsake a man who is fighting for his freedom." During my years in Congress I have

fought against and spoken out against Russian repression when it has occurred against the Hungarians, the Latvians, the Jews, and others. Communist guns have held free peoples down for too many years—and they are trying again in the Middle East.

A bill to authorize \$2.2 billion worth of credit to Israel was approved by the House on Tuesday. I supported the bill at this critical time so that this tiny country can defend itself against an enemy whose financial resources are limitless.

In this hour of crisis, the United States must not abandon Israel. Besides humanitarian reasons, there is also the important consideration of our own self-interest. We need this strong and staunch ally, the only nation we can fully rely upon in the Mideast. The effect of the Arab threats for an oil boycott has certainly given them the leverage to follow through on their attempts to isolate Israel from the rest of the world. The United States is left standing as the only major power to support the Middle East's only true democracy—Israel.

Diplomatic relations with the Soviet Union are important. However, if we allow them to aid the Arab countries without quick financial action on our part to Israel, this will also have an effect on future relations. To have peace, we must have a balance of power. To have a balance of power, we must lend continued service and assistance to Israel.

It is our duty as well as the duty of every free country to support the political integrity of the State of Israel. In this way we support our own country and our own freedom.

Mr. PASSMAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

International organizations and programs: For necessary expenses to carry out the provisions of section 301, \$105,000,000, of which \$15,000,000 shall be available only for the United Nations Children's Fund: *Provided*, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Congress: *Provided further*, That none of the funds appropriated or made available pursuant to this Act shall be used to supplement the funds provided to the United Nations Development Program in fiscal year 1973.

AMENDMENTS OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer amendments and I ask unanimous consent that they may be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. DERWINSKI: Page 4, line 21, strike out "\$105,000,000" and insert in lieu thereof "\$124,822,000."

Page 4, line 25, strike out everything following "Congress" through page 5, line 3, and insert in lieu thereof a period.

Page 5, line 7, strike out "\$5,000,000" and insert in lieu thereof "\$10,000,000."

Mr. DERWINSKI. Mr. Chairman, I will be brief.

Mr. Chairman, the best argument I could give Members this afternoon for this bill is to read excerpts from a response to a letter I directed to then-Secretary of State Rogers concerning U.S. voluntary contributions to U.N. programs. In my letter I asked several questions to each of which I received a reply:

DEPARTMENT OF STATE,

Washington, D.C., August 17, 1973.

HON. EDWARD J. DERWINSKI,  
House of Representatives,  
Washington, D.C.

DEAR MR. DERWINSKI: Your letter of July 30, 1973 to the Secretary of State concerning U.S. voluntary contributions to United Nations programs has been referred to me for reply.

In your letter, you ask several questions. I shall reply to each in turn.

(1) What is the Administration's objection, in principle, to a legislated percentage ceiling on voluntary contributions?

In his February 9, 1972, report to the Congress on U.S. Foreign Policy for the 1970's, President Nixon, discussed our desire to see our assessed UN contributions reduced to 25 per cent. He concluded with the following statement:

"This 25 per cent limitation should not and will not apply to the voluntary contributions upon which many of the more important UN functions are now dependent. Current UN activities financed by voluntary national contributions include such activities as narcotics control, disaster relief, major economic assistance activities (the United Nations Development Program), population control, etc. All these are activities to which individual nations contribute, or not, as each sees fit. The size of each nation's contribution is determined by its own interest in the program. In most instances, the U.S. share of the cost of these programs is larger than our assessed share of the regular UN budget. That is a matter of national choice. The United States will continue to make generous contributions to activities of this kind which we have a particular interest in encouraging."

In the same report, the President reviewed his new approach to foreign assistance. "We fully support," he said, "a strengthened international effort for development through our membership in the multilateral development institutions and various consortia and consultative groups, through United Nations specialized agencies and the United Nations Development Program. . . . Because multilateral institutions enable us to contribute to development on a broad scale, our bilateral aid can and should be focused on countries in which we have a special interest and on problems where it can do the most good."

I would also call your attention to the April 1971 Report of the President's Commission for the Observance of the Twenty-Fifth Anniversary of the United Nations. After recommending that the United States seek to reduce its contribution to the UN assessed budget to 25 per cent, the Commission stated:

"In recommending that the United States seek a reduction of the percentage of its assessment to the regular budget, the Commission wishes to emphasize that it is in no way proposing any diminution of the overall commitment of U.S. resources to the UN system. Each reduction in the U.S. share of the regular budget must be clearly marked by at least a corresponding increase in U.S. contributions to one or more of the voluntary budgets or funds in the UN system."

Our commitment to the United Nations, and our participation in multilateral development programs in particular, bears a direct relationship on our ability to obtain support for our foreign policy goals—whether or not such goals are within the UN system or di-



rectly related to economic development. A constructive and active US role in these programs contributes in a very important way to the total image of the United States and helps us to persuade other countries—both developed and developing—to cooperate with us on issues which we consider to be of primary importance. It is, of course, quite natural that the countries of the developing world in particular should be strongly influenced in their judgment of us by our contributions to the development programs of the United Nations in which they have a primary interest.

Our objection to a percentage ceiling on voluntary contributions thus rests on two premises which we believe are essential to the furtherance of our foreign policy goals:

(a) We must be able to contribute such sums as we see fit to UN programs in which we have a particular interest and which further our own foreign assistance policies as well as general economic and social development.

(b) We must be able to maintain our overall commitment to and our traditional role of leadership in the UN system, a role which we believe is highly beneficial to us in that it furthers not only the development of international cooperation, which is so essential to a lasting peace, but also support among other governments for a variety of our foreign policy goals.

(2) What effect do you estimate such a ceiling would have on the UN programs concerned?

UNDP expenditure projections for the five-year period 1972-1976 are based on the assumption, authorized by the UNDP Governing Council, that resources will increase during the period at the annual rate of 9.6%. This is the rate at which resources in fact increased during the five-year period 1966-1970. Since 1970, however, the annual rate of increase in voluntary contributions to the UNDP has fallen below 9.6% on the average. This has occurred despite increases by other countries totalling 10% in 1971, 20% in 1972 and 11% in 1973 because of the stationary level of the US contribution from 1970 through 1972 and an anticipated increase of only 4.7% in 1973. The UNDP's reserve of unexpended resources, utilized since departure from full funding in 1971 to fill the gap between contributions and expenditures, is being rapidly depleted. It is presently estimated that by mid-1974 these resources will reach the minimum operational reserve level of \$150 million required by the UNDP Governing Council.

Should the rate of growth of the US contribution be further slowed or even reversed in order to fit within a legislated percentage ceiling, the UNDP's tight financial situation would become critical and a drastic reduction in planned program delivery would seem inevitable. This would mean a reduction of assistance available under the already approved indicative planning figure for each country.

It would frustrate the UNDP's efforts, also approved by the Governing Council, to provide additional assistance to the 24 least developed countries. Such action might also be expected to have a demoralizing effect on the UNDP and, inter alia, undermine support for the management improvements being introduced by the American Administrator, Rudolph Peterson.

Virtually all voluntary programs would be seriously affected by a 25% ceiling on U.S. contributions in much the same way as the UNDP, as can be seen from the chart in our response to the succeeding question. We should expect that the onus for this situation would be placed squarely on the United States, as all other major donors are increasing their contributions.

(3) How do the contributions of other countries compare with those of the United States in terms of percentage of gross na-

tional product and percentage of budgets of the programs?

In 1972, the United States ranked 30th among contributors to the United Nations Development Program in terms of the relationship of contributions to gross national product. Among major donors, the United States was 13th. In terms of the size of contributions per capita, the United States ranked 10th among all donors and 8th among major donors. The standing of major donors in each instance was as follows:

#### 1972 pledges in relation to GNP

[In percent]

1. Denmark	.132
2. Norway	.087
3. Sweden	.084
4. Netherlands	.044
5. Finland	.034
6. Canada	.024
7. Switzerland	.022
8. United Kingdom	.017
9. Belgium	.015
10. Austria	.013
11. New Zealand	.011
12. Iran	.009
13. United States	.009

#### 1972 pledges per capita

1. Denmark	\$4.19
2. Sweden	3.23
3. Norway	2.57
4. Netherlands	1.06
5. Canada	.85
6. Finland	.75
7. Switzerland	.68
8. United States	.42

While computations have not yet been made for 1973, our ranking in each case is expected to be lower.

As a percentage of total contributions to various UN voluntary programs in calendar year 1972, US contributions were as follows:

Program	U.S. contribution 1972 (thousands)	Percentage
United Nations Development Program	\$86,000	30
United Nations Children's Fund	15,000	32
IAEA Operational Program	1,550	38
WMO Voluntary Assistance Program	1,550	33
WHO International Agency for Research on Cancer	312	14
UN/FAO World Food Program	62,500	50
UN Institute for Training and Research	400	32
International Secretariat for Volunteer Services	173	28
UN Relief and Works Agency	23,200	51
UN Force in Cyprus	4,800	29
UN Fund for Population Activities	29,040	46
UN Fund for Drug Abuse Control	2,000	74
UN Environment Program Fund	0	(*)

\* Includes \$61,000,000 in Public Law 480 commodities and freight services.

† Includes \$100,000 special grant made under authority of Peace Corps Act.

‡ Includes \$8,900,000 in Public Law 480 commodities.

§ First contribution of \$10,000,000 proposed for 1974 would represent 40 percent of estimated total contributions.

(4) What direct benefits accrue to the United States from participation in these programs, especially in terms of monies returning to the American economy?

In addition to furthering support for our foreign policy goals, as mentioned above, participation in multilateral development programs has benefited the United States in a variety of ways. Such programs have brought about a progressively wider sharing of the cost of technical assistance, formerly borne to a far larger extent by the United States. They have fostered greater self-reliance, thus multiplying the impact of U.S. assistance. Under its new system of country programming, the UNDP, in particular, is helping the developing countries to plan for and utilize more effectively all the foreign assistance they receive.

In terms of more direct monetary benefits to the United States, our participation in the UNDP and other multilateral programs has enabled American expertise and equipment to be introduced in areas such as Eastern Europe, where our bilateral aid programs have been foreclosed and our trade impeded, and Africa, where our bilateral programs are now minimal and markets are only beginning to be developed. Throughout the world, provision of experts, contract services and equipment through UN programs has brought significant monetary returns to the United States. While precise calculations are difficult, it has been estimated that 70 per cent to 80 per cent of U.S. contributions to the UNDP return to the United States in the form of payments for goods and services, including headquarters costs. Such estimates do not include amounts—perhaps more important over the long run—accruing to U.S. firms through sales to institutions and firms created as a result of UN projects or introduced to American products while receiving UN assistance. U.S. firms and lending institutions have also provided a considerable portion of the \$9 billion in follow-up investment reported to have resulted from UNDP projects through 1972.

Mr. Chairman, there are further comments that I wish to make. The UN Development Program is the principal organ of the UN for development assistance to underdeveloped countries. Its performance effectiveness has been improving steadily and adequate U.S. contribution to UNDP enables our country to assist underdeveloped countries through genuine programs of development without the political consequences of some bilateral programs.

In terms of direct monetary benefits to the American economy, it has been estimated that close to 80 percent of the U.S. contributions to UNDP return to the United States in the form of payments for goods and services, including headquarters costs in New York.

The \$90 million which the administration had pledged is 27.9 percent of the 1973 UNDP total and only 23.6 percent of the 1974 UNDP total. This figure is lower than our UN assessed budget payment which, in the past years, has been reduced to 25 percent. The \$40 million involved is in the administration's budget and our proposal to restore these cuts has complete administration support.

Since I served at the United Nations 2 years ago as one of our delegates, I feel an obligation to emphasize for the record the need to keep our budget commitments to the UN, and in particular my amendments would restore the figure in the budget item to the UNDP, the United Nations development program, and to the United Nations Environmental Fund.

I believe these are practical programs. The UNDP, just like any aid program, has its examples of bad administration, but overall it is a very effective program.

Mr. Chairman, I believe that this amendment is consistent with what I consider our commitment to the United Nations.

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

Mr. DERWINSKI. Yes, I yield to the gentleman from Illinois.

Mr. McCLODY. Mr. Chairman, I thank the gentleman from Illinois for yielding.

I had the privilege of serving as one of

our delegates to the United Nations Environmental Conference in Stockholm in June 1972, and I feel that the amendment of the gentleman from Illinois (Mr. DERWINSKI) is highly important as an expression of our support of the recommendations of that conference.

Mr. Chairman, the Stockholm Conference on the Human Environment was attended by representatives from some 114 nations from every part of the globe—including both developed and developing nations, as well as large and small countries. The representatives were able to agree in principle on the broad guidelines which can protect the Earth's natural resources and improve the quality of the environment upon which the survival of mankind depends.

Mr. Chairman, this great international conference marked a dramatic turning point in human history from which this, and future generations may benefit.

Mr. Chairman, the principal objectives sought by our U.S. delegation, and outlined earlier by President Nixon, were substantially achieved. These consist of the following: first, establishment of a viable agency within the United Nations to coordinate United Nations environmental activities; second, establishment of an environmental fund totaling \$100 million over the first 5 years, of which the United States has pledged up to \$40 million on a matching basis subject to congressional approval; and third, establishment of a global Earth watch program to coordinate a monitoring of environmental conditions and trends in the atmosphere, oceans, and soil.

Mr. Chairman, all aspects of environmental problems are of concern to everybody in our interdependent world today. These problems are such that no nation, no continent, no system can succeed in resolving them alone, or even attempt to resolve them without relying on the knowledge, expertise, and experience of others or without drawing on the services envisaged in recommendation 137, as adopted at the Stockholm conference.

Government, consumers, business, labor—all people, rich and poor alike, suddenly realize they are all in the same situation, and that something must be done. In other words, no one of us can escape the responsibility of improving the state of our environment. All nations have a stake and concern. No political system or level of economic development is immune, for the environmental crisis is a global one. We must, therefore, encourage global cooperation in the exchange of knowledge and the application of that shared information.

Mr. Chairman, it would seem important for us to fulfill our pledge in support of a United Nations Environmental Fund which was proposed by President Nixon in February 1972 and to which a large number of countries have already fulfilled their commitments, as evidenced by the table appearing on page 28 of the committee report.

Mr. Chairman, I urge overwhelming support of the amendment offered by my distinguished colleague from Illinois (Mr. DERWINSKI).

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

Mr. DERWINSKI. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, of course, I am like my good friend, the gentleman from Iowa (Mr. GROSS); I am just a little bit frightened.

I was in hopes that the gentleman would offer these amendments, because unless he explained all of these things and unless we know about this UNDP, we might wind up without any appropriation for the UNDP.

If the gentleman is going to insist upon his amendment, of course, I am going to have to oppose it and make some good strong points against it.

Did the gentleman indicate that he would make his talk and then let us look at it when it goes over to the other side?

Mr. DERWINSKI. Mr. Chairman, I think I recognize the gentleman from Louisiana, not only as a skillful debater, but as a very practical legislator, and, therefore, since I recognize the need to move along this afternoon, I ask unanimous consent to withdraw my amendments.

Mr. BUCHANAN. Mr. Chairman, I wish to associate myself with the remarks of the distinguished gentleman from Illinois (Mr. DERWINSKI) and to applaud his effort toward the restoration of UNDP funds to the level requested by the President. Foreign aid, they say, has no constituency. This seems particularly true of the United Nations enterprises to which we make voluntary contributions such as UNDP.

During the past 3 months, Mr. Chairman, it has been my privilege to serve as a delegate to the 28th General Assembly of the United Nations. This experience has provided an opportunity for a first-hand look at the work of the organization and its related agencies. I have become convinced that the relatively small investment we are making there may be one of the better ones. Mr. Chairman, I support this bill in its entirety. The reckless, unrestrained supply by the Soviet Union of more than \$6 billion worth of military supplies to the Arab world including elements of that country's most sophisticated weaponry makes necessary the assistance to Israel included in this bill to restore the military balance essential to meaningful negotiations and to progress toward peace.

Yet I continue to be amazed at the ease with which one can steer through the Congress billions of dollars for military purposes and the difficulty involved in obtaining the authorization and appropriation of a few millions of dollars for developmental purposes. It is a fact that most of the world's people are desperately poor, and still are fighting man's ancient enemies of hunger, poverty, and disease. Many developing countries rely heavily on the United Nations Development Program. It is of vast importance to them. Our share is a relatively tiny portion of our national budget. It would seem to me to be penny wise and pound foolish for us to be niggardly and tight-fisted in contributions toward the establishment of a healthier more stable world where peace might have a chance to survive, while

at the same time piling billions upon billions at home and abroad for the implements of war. The strong support by our country of such enterprises as UNDP may in the long run be of great importance to our own welfare as well as to that of the world's majority. It would appear to me that our investment in a better life for the world's people and our identification in this way with their hopes and aspirations cannot but be in the economic, political, security, and moral interest of this Republic. I urge my colleagues, Mr. Chairman, to reconsider and support our President's full requests for U.N. funding.

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

Mr. GROSS. Mr. Chairman, reserving the right to object, I just wondered if this request to withdraw the amendment has the concurrence of the other sponsor who is the successor to the former Ambassador to the United Nations.

Does this have his concurrence, the withdrawal of this attempt to spend some more money?

Mr. DERWINSKI. Mr. Chairman, is the gentleman speaking of our mutual friend, the gentleman from Alabama (Mr. BUCHANAN)?

Mr. GROSS. He seems to be your teammate in this business of bulging the spending under this foreign aid bill.

Mr. DERWINSKI. I hope that the gentleman from Iowa does not mind if I occasionally have a few other coworkers. I usually spend my time joining the gentleman from Iowa in his heroic efforts.

Mr. GROSS. I just wondered if the gentleman was going through some kind of charade since the gentleman capitulated so quickly on his amendments.

Was this prearranged with the committee chairman? Would that be possible?

Mr. DERWINSKI. No; it is just that I recognize I probably do not have the votes, to begin with, and the gentleman from Iowa obviously is displeased with my amendments.

He is the last Member in the world I wish to debate. It always pains me to find myself in disagreement with the gentleman.

Mr. GROSS. Mr. Chairman, I know how badly the gentleman feels about that.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, of course, the gentleman's amendments would increase this bill by some \$25 million.

Mr. GROSS. That is what I said; that he is trying to increase spending through this foreign aid bill.

Mr. PASSMAN. Mr. Chairman, I am not trying to debate the position. I just said that along the way in finalizing this bill, we would give it our consideration. We have an openminded subcommittee. We always look at what the other body puts in, and if they put in information we do not have, of course, we are going to look it over in conference.

Mr. GROSS. The gentleman did not



discuss it with the gentleman from Illinois?

Mr. PASSMAN. No, I do not believe I discussed it with the gentleman.

Mr. GROSS. How about your suggestion of going to conference and putting it in? Is that not what the gentleman suggested to the former Ambassador?

Mr. PASSMAN. No; I did not suggest that to the gentleman.

I said along the way if they can make a better case, we will look at it very closely.

Mr. GROSS. What is meant by "along the way"?

Mr. PASSMAN. You have to send it over to the other body and to conference, and then we have to come back to the House and the Senate. It is my understanding that when you have legislation with sums this large it is necessary to compromise at times.

Mr. GROSS. I just want to be sure the withdrawal of this amendment has the approval of the United Nations.

Mr. PASSMAN. I am delighted that the gentleman withdrew the amendment and along the way we will look very carefully at your view on this matter.

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

I would like to commend the gentleman from Illinois (Mr. DERWINSKI). He has long lived by the adage that he who fights and runs away will live to fight another day.

I heartily approve the amendment he has offered, and I earnestly hope we will restore this money somewhere in the process as it is very vital to the international scene at this point.

In particular I would like to draw attention to that part of his amendment which deals with the U.N. Environment Fund.

As a congressional observer at the United Nations Conference on the Human Environment held in Stockholm, Sweden, in June 1972, I was impressed with both the need and the enthusiasm for a U.N. voluntary fund for the environment.

President Nixon has taken a strong initiative in proposing a 40-percent U.S. contribution to this fund. With an overall goal of \$100 million, this would mean a U.S. contribution of \$40 million. Other countries have already pledged \$60 million and I believe that our vote today will be taken as an indication of whether we intend to back up the President's pledge.

There are real benefits to be gained by the creation of this fund. One would be a global monitoring system for the prediction and assessment of environmental effects of international significance. This would include monitoring stations to measure atmospheric pollution levels in the developing countries, toxic substances in the oceans, and health hazards in foods and in urban areas.

Another important area in which the U.N. Environment Fund can be helpful is the collection and dissemination of environmental data. An information referral service would be established as a central source for data that now exists

and would be further employed to help bring together data that individual nations would find difficult to compile.

The long-term impact of the Fund should be to set effective and equal environmental standards for all nations. It should serve in evaluating the environmental impact of development in order to alleviate or avoid some of its harmful effects in the less developed countries. It should sponsor education programs, pilot projects, and joint research efforts which would help realize the goals set at the Stockholm Conference.

From the standpoint of equity it is not unfair for the United States to support 40 percent of the cost of this fund. Our Nation is one of the world's major polluters and major resource consumers. As the world's most developed nation we have seen how much can be lost if environmental damage is not restrained. It is to our benefit to encourage a global environmental commitment.

Mr. Chairman, I therefore earnestly hope we will restore the funding for the U.N. Environment Fund to the \$10 million level requested by the administration. This is a small item in our budget but it is an important indication of our commitment to a most important effort.

Mr. BINGHAM. Will the gentleman yield?

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

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to associate myself with his comments and those made by the gentleman from Illinois (Mr. DERWINSKI).

If the House were to make the mistake of appropriating only \$70 million for the U.N. Development Program for fiscal year 1974, the United States will be taking a step backward in world leadership. This would mean that our contributions for fiscal year 1974 would be only 19 percent of total UNDP funds. Last year when Congress voted to limit the U.S. share of the U.N. regular budget to 25 percent our representatives at the U.N. told other member nations that this action would in no way apply to voluntary contributions to programs such as UNDP. Cuts in our UNDP contribution this year would have the effect of breaking these pledges made by our representatives. The United States has been successful in urging other countries to bear a larger share of the contributors' burden in UNDP, so our credibility would be seriously undermined if we were now to move in the opposite direction ourselves.

I have personally observed the programs of the UNDP over more than 20 years. They are for the most part "people to people" programs, involving a great worldwide effort in the sharing of scientific and technical knowledge and know-how so that poor people can be helped to help themselves. We should be willing to carry our share of this program which we had so much to do with launching.

U.N. Development Program has made great strides in improving its management capability and effectiveness of op-

eration during the past 2 years as a result of reforms which the United States took a lead in urging. We can be more certain than ever that the money we give to UNDP will be used wisely for worthwhile programs.

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

Mr. Chairman, I appreciate the comments made by the distinguished chairman of the subcommittee, the gentleman from Louisiana.

I understand that he is willing to take a fresh look at the problems presented with respect to the United Nations development program.

Mr. PASSMAN. Will the gentleman yield? What did the gentleman say?

Mr. FRASER. I was saying I had understood the gentleman was going to take a look at some of the arguments being presented.

Mr. PASSMAN. Oh, yes. We are going to look at it. I can promise you that.

Mr. FRASER. I notice the gentleman from Iowa is helping to clarify that situation. I know that is very helpful, as it always is.

I just wanted to make the observation, Mr. Chairman, that the UNDP is one of the international programs which represents a joint effort by the industrial countries of the world to help the developing countries.

One of the problems of recent years is that the sense of an international system is being eroded. When I refer to an international system I am talking not only about the United Nations but referring also to NATO and other alliances of ours as well. There is a disintegration of the sense of community which had kept the peace in this world for the past quarter of a century, peace in relative terms, at least.

As the lessons of World War II fade from the memories of many of us there is less and less willingness to carry out mutual undertakings entered into in the international arena. I think this is a process which, if carried to its logical conclusion, can guarantee the eruption of world war III and the possible destruction of civilization, at least most of civilization, on this planet.

It is very important for the United States to be able to carry forward in concert with other countries in order to deal with the real problems that face this planet.

The UNDP is not a perfect program, but it does represent a coming together of industrial countries to discharge the sense of responsibility to assist the development of the countries which face a long road in the development process.

If this committee or this House should conclude that no matter what the President or his representatives agree to, no matter what arrangements are made in New York, that we are free to make unilateral cuts and reductions because we have some feelings that maybe a program is not run just the right way, then we are inviting the kind of response and reaction from other countries which is going to continue this process of erosion and this breakdown in the sense of international community.

So I suggest, Mr. Chairman, that the

issue presented by the appropriations for the United Nations development program revolves not only around the question as to how effective the program has been, with all of their strengths and with all of their weaknesses, but it also relates to our capacity to offer moral leadership in the world. So I do appreciate the fact that the chairman of the subcommittee, the gentleman from Louisiana (Mr. PASSMAN) has indicated that he will take a serious look at this matter. We certainly should not act lightly with respect to these matters, it ought to be done with utmost seriousness. Because it is important that the United States once again resume its role of world leadership. So I hope that when this matter returns from the conference that we will have accepted our full responsibility to act, and be a responsible member of the international community.

The cuts recommended by the Committee on Appropriations in H.R. 11771 would be, I am convinced, very damaging to our national interest. If the United States contributes only \$70 million to the United Nations development program for fiscal year 1974 and is unable to transfer fiscal year 1974 funds to make up for the shortfall in contributions under last year's continuing resolution, our country would be responsible for a \$40 million shortfall in pledges made to the United Nations development program—UNDP.

Such a shortfall in our contributions would be particularly damaging at this time in view of the fact that our Representatives to the United Nations—including George Bush and Senator GALE McGEE—made assurances at the United Nations that in reducing our payment of U.N. dues to 25 percent of the regular budget, the United States had no intention of applying a similar cut to voluntary contributions. It was largely on the basis of this assurance that a majority of the members of the United Nations agreed to reduce the American share of the regular budget to 25 percent. Now we have an appropriations bill which would have the effect of reneging on those assurances. Furthermore, we would be slashing our contributions to UNDP at a time when UNDP's effectiveness in development assistance is making impressive improvements, and when other countries are making major increases in their contributions to UNDP. At present the United States ranks 30th among contributors to the UNDP in terms of percentage of the gross national product and 13th among the major donors.

Despite claims that UNDP is inefficient and has exorbitant overhead costs, studies have shown that overhead costs for bilateral and multilateral technical assistance programs are roughly equivalent. The State Department's Inspector General for Foreign Assistance reports that his studies reveal that U.N. programs compare very favorably with U.S. bilateral programs in the way they are run.

Even if it were the intention of the appropriations bill to work against the spirit of the 25-percent limitation on U.N. dues, by applying it to voluntary

contributions as well, a \$70 million U.S. contribution to UNDP for fiscal year 1974 would place the United States far below 25 percent of UNDP's total contributions. In fact, the figure would only be about 19 percent.

I believe the true nature of multilateral development assistance programs has been seriously misrepresented by the Appropriations Committee in its committee report on H.R. 11771. Officially operated programs of multilateral assistance have advantages which bilateral programs do not have.

They can insure that development assistance is carried on in the areas where it is needed most, based on a consensus of all the donors and recipients in the program. Additionally, these programs can be implemented without the unfortunate political consequences that often flare up in the two-way donor-recipient relationship inherent to bilateral aid programs. Far from crippling UNDP at a time when it was becoming more effective, we should be significantly increasing our percentage of contributions, along with other countries, for the reasons stated above.

Partly at the urging of concerned Americans, including Members of Congress, UNDP has implemented a major overhaul in management of its operations during the past few years. One of its management reforms was to plan programs and their funding into the future, rather than operate on a short-term year to year basis. These plans are made using indicative planning figures based on pledges of contributions made by donor nations. So we can see that a \$40 million default by UNDP's biggest donor would seriously cripple the very effectiveness that all of us have been urging for UNDP.

UNDP has been criticized for carrying on programs in wealthy countries such as Kuwait and Japan. Both of these countries, however, are net contributors to UNDP; that is, they give more money to UNDP than UNDP gives them. In the case of Japan, for example, UNDP helps support an International Institute of Seismology and Earthquake Engineering which benefits many countries of the world. Japan was the logical place to conduct such an undertaking because of the frequent occurrence of earthquakes there and the advanced stage of Japanese technology in this field.

Mr. Chairman, if we really want the United Nations and its various organs to improve their effectiveness, if we really want it to correct the shortcomings of which it has been accused, then slashing the capability of one of its most important activities is certainly no way to go about it. I urge our colleagues to vote for and actively support the amendments being offered by the gentleman from Illinois, Mr. DERWINSKI, to appropriate the funds authorized for UNDP and to honor the pledges made by our country's representatives to the United Nations.

#### UNITED NATIONS ENVIRONMENT PROGRAM

Mr. Chairman, in public hearings last June the chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations assured Representatives of the State Department that he favored an appropriation of \$10 million

for the U.S. contribution to the voluntary fund for the environment, under the U.N. environmental program. This was the level authorized by the House last May. However, I find that the foreign assistance appropriation bill (H.R. 11771) allows only \$5 million for this program, a reduction of 50 percent in the amount authorized.

The United Nations environmental program was established last year by the U.N. General Assembly, based on recommendations made at the World Conference on the Environment in Stockholm, May 1972. One of the features of the program is a voluntary fund for the environment. Even before the Stockholm Conference, President Nixon gave strong American support to the concept of such a fund and indicated that if other countries paid their fair share the United States would be willing to contribute up to 40 percent of the initial fund of \$100 million. During 1973, pledges for contributions and actual contributions from other countries quickly brought the total to \$100 million, assuming a \$40 million contribution by the United States over a 4-year period. Other countries are doing their share; why cannot the United States do likewise?

The U.N. environment program is not an aid program. It is an international coordinated effort to deal with problems which threaten the existence of mankind. We Americans are acutely aware of the magnitude and consequences of environmental decay. In our industrial society we have witnessed the worst effects of the problems of ecology. The U.N. Environment program will tackle some of the very problems that have the worst effects on America.

Although the United States is being asked to contribute money to the program, it stands to benefit as much as any other country from an effective United Nations environment program. If the House decides to cut our contribution to this program in half in the very first year of its operation, it will be dealing a major blow to direct U.S. interests in protecting our own environment. If we refuse to do our part in launching this worthwhile program, we will have no one to blame but ourselves if it fails. If there is ever a time when we should give less to the environment program, it is certainly not now while the program is in its infant stage. I would think that at least we would have the concern to allow this program an opportunity to prove itself; to do otherwise would be to condemn it to failure before it has a chance to succeed.

#### POPULATION PLANNING AND HEALTH DEVELOPMENT SYSTEMS

The foreign assistance appropriation bill, H.R. 11771, cuts the authorized figures for population planning and health assistance by \$20 million; from \$145 million to \$125 million. At a time when Congress has determined through reorganization of the U.S. foreign aid program that health and population activities be accorded one of the highest priorities, the amount recommended by H.R. 11771 would in effect relegate these activities to a lower priority. One of the



programs for which this money would be used is the U.N. Fund for Population Activities. Recently the United States has been successful in assuring better management of the fund through administrative integration with the U.N. development program. The fund has developed more good projects than it has resources to finance at present. The level of funding proposed by H.R. 11771 would hinder U.S. efforts in this vital area.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

#### MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, \$500,000,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States.

#### AMENDMENTS OFFERED BY MR. TIERNAN

Mr. TIERNAN. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: Page 8 Line 3 delete "\$500,000,000" and insert "\$499,800,000."

Mr. TIERNAN. Mr. Chairman, I would ask unanimous consent that my other amendment on page 13, line 25, be considered at the same time; that the two amendments be considered en bloc.

The CHAIRMAN. The Clerk will report the second amendment.

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: Page 13 Line 25 insert "and none of these monies shall be used to finance military credit sales to Saudi Arabia."

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

Mr. CONTE. Mr. Chairman, reserving the right to object, I have here page 12, line 25—

Mr. TIERNAN. Mr. Chairman, if the gentleman will yield, it should be page 13, line 25. It is down at the bottom of page 13 under Foreign Military Credit Sales.

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

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

Mr. BINGHAM. Mr. Chairman, would the gentleman from Rhode Island explain to me why the gentleman wants these amendments to be considered en bloc?

Mr. TIERNAN. If the gentleman will yield, because both of the amendments deal with assistance in the bill to Saudi Arabia.

Mr. CONTE. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. TIERNAN. Mr. Chairman, the present oil embargo by the Organization of Arabian Petroleum Exporting Countries is causing severe economic and social hardships in our country. We rely upon these Arab nations for approximately 3.5 million barrels of oil per day,

nearly one-fifth of our daily oil consumption, and 17 percent of our present oil shortage. Saudi Arabia is the largest oil-producing country in this organization and one of the most vocal and steadfast supporters of the embargo.

Because of their participation in this oil embargo, the possibility that the United States will be forced into an economic tailspin is becoming greater and greater each passing day. The chain reaction syndrome which oil shortages cause is not difficult to envision or understand. Oil shortages require reduction in oil consumption. Reduction in consumption means lower productivity, which in turn causes worker layoffs, resulting in greater economic hardships for all Americans.

Today I am proposing an amendment to this foreign assistance appropriation bill which would cut out \$200,000 and restrict any military credit sales funding to Saudi Arabia. This country cannot afford to grant money or credit to any country which is severely damaging our economy by engaging in an embargo against the United States. Saudi Arabia has declared economic war against the United States, and we can do nothing but do the same.

Mr. Chairman, I think that last week when we had this matter before us, the chairman of the full committee indicated that we should not at this time slap the face of this country that has indicated its willingness to go along and be a trading partner of this country, but I think at this point it is clear that we must indicate to them very strongly that we cannot allow this to happen to our people throughout this country.

We had meetings today with utility companies that indicated a 24-percent fuel shortage. This will cause, undoubtedly, layoffs throughout this country. I cannot see us indicating other than by this action today clearly to them that we intend to see that they do not carry out this type of embargo; it is strictly a form of blackmail; and it has two prongs to it. One is to try to bring us to our knees with regard to our dealings with Israel, and also what it is going to do to our workers.

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

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

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Will the gentleman explain to me why he thinks the Arabs are being unreasonable when they impose an embargo upon us, when that is done in retaliation for our sending about \$1 billion to Israel for their support when they were involved in warfare? The gentleman from Maryland has said an embargo is an act of war. Is not supplying arms to a belligerent an act of war as well? And we did it first.

Mr. TIERNAN. We have been supplying arms in that area for many years, and the Arabs knew it, and they dealt with us knowing that. We have continued to support them with military credit assistance, even though they were opposed to our support of Israel all through those years. This is just now the

latest step they have taken. It is affecting every worker in this country, and the effect is going to be long range. If they start to take this embargo off tomorrow, it will help us, but the effect of this embargo is going to be felt for the next 6 months. The unemployment in this country is going to reach proportions never before seen.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield further?

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

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

I agree with what the gentleman is saying in terms of the economic effect of the embargo, but does not the gentleman also recognize that by our actions today we are probably driving the Arabian countries into the Soviet bloc even further? We are not really maintaining any kind of balance; we are disrupting the balance; and we are not accomplishing what we say we want to do.

Mr. TIERNAN. I do not think so, and I think that other speakers in the well have so indicated. I heard many speakers in the well indicate that the Arabs are not interested in joining the Communist countries. They are not interested in coming within the framework of their power; so if they are not in that frame of mind, then I say they should not punish the workers in this country by cutting off oil that is needed for production and the production plants throughout our country.

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

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

Mr. FRASER. I thank the gentleman for yielding.

Let me question whether this amendment, no matter how well intentioned, really will offer a solution to our current problems. I do not believe any of us could have faith that the amendment, if adopted, could change the policy of Saudi Arabia. If anything, it is designed to exacerbate relations.

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

A moment ago I was kidding my dear, dear friend, the gentleman from Iowa, Congressman Gross, when he said he was frightened. I can say to the Members now that I am frightened. I have a great deal of respect for the distinguished gentleman from Rhode Island, but this amendment is something we should be frightened over. Here we are with our top diplomats in the Middle East trying their very best to get a peace treaty between Israel and the Arab States, and just a little while ago we voted a \$2.2 billion authorization for Israel by a vote of about 6 or 7 to 1.

Now let us talk about King Faisal of Saudi Arabia. He has been a friend of the United States for a long, long time. He wants to continue to be a friend of the United States.

This amendment would deny Saudi Arabia \$200,000 for training. Can Members ibafline that? We vote \$2.2 billion for Israel and there is hardly any objection to it. Now we come along and want

to take away from King Faisal of Saudi Arabia this \$200,000 for military training, and then in addition to that, \$20 million for military credit sales. In all probability they would pay for the military equipment in several years.

Mr. Chairman, I hope that somehow or other we can vote this amendment down as near unanimously as possible.

If we believe what we said this afternoon when we supported \$2.2 billion for Israel and then we deny these funds to Saudi Arabia, then we may wind up with no bill at all if we support this amendment.

Mr. Chairman, I trust and I hope this amendment will be voted down and, I hope, unanimously.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

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

Ms. HOLTZMAN. Mr. Chairman, I wonder whether the gentleman can tell us whether the economy of Saudi Arabia is such that it needs this \$200,000 from us? Is that country not sufficiently rich from its oil royalties to be able to survive very well without this additional \$200,000?

Mr. PASSMAN. I can only repeat, if I may, for emphasis, that King Faisal has been a friend of this country and Saudi Arabia has been a friend of this country. We are trying to get peace in that part of the world and we have voted to give Israel \$2.2 billion and we all applauded that. Now do we want to tell King Faisal that he cannot have \$200,000 for military training? I hope we will vote this down and I ask Members to please exercise their rights and vote loudly.

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

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

Mr. SHRIVER. Mr. Chairman, I would remind the Members this budget was prepared many months ago and it is illustrative. It is not likely any of this \$200,000 would be used for the purpose we are discussing. Under the circumstances all we would be doing would be counterproductive and not in the best interest of this country at a time when the Secretary of State is trying to bring about peace that will last in the Middle East. To do this, to counteract our Secretary of State's efforts at a time like this, would be a mistake.

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

Mr. PASSMAN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I think we are all of a single mind in the statement I am about to make. We want to see peace in the Middle East. In view of the developments in recent weeks unless this matter in the Middle East is handled with the greatest skill it could lead to world war III. A repetition of a war in the Middle East could be disastrous to the world including the United States. So I do believe that we should give the Secretary of State some opportunity to try to work with the nations of the world and particularly in the Middle East to resolve these differences and to acquire and achieve some sort of lasting peace.

I believe this amendment is against the best interest of the United States and against the best interest of peace in the world. I know it has been offered with the greatest of sincerity but I want to join with the gentleman from Louisiana in strongly opposing it and expressing the hope that it will be soundly defeated.

Mr. PASSMAN. I thank the distinguished gentleman from Texas.

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

Mr. PASSMAN. Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I want to join the gentleman in the well. This amendment, or one very similar, was considered in the committee and was thoroughly debated. I regret to differ with my good friend; but if we want to shut off forever the oil spigot, this is the best way of doing it.

Henry Kissinger, our Secretary of State, is out there at the present time trying to get a negotiated settlement.

I was the one in subcommittee that made the motion for the \$2.2 billion for Israel.

Mr. PASSMAN. That is correct.

The CHAIRMAN. The time of the gentleman has expired.

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

There was \$300 million out of the credit sales ceiling and \$50 million for security supporting assistance and \$36.5 million was put in to aid Jewish people escaping from the Soviet Union to get to Israel.

These are credit sales. We can get a return on this money. But to say that we will not sell to them is foolish. We are not preventing anything. Most likely they will go to France or to the Soviet Union where all the others have gone, and, thereby, cut off all relations with them. We are in great need of this oil that has been discussed here in the House. If we can get a negotiated settlement, we will open the spigot and have oil flowing again to the United States by late spring.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Rhode Island (Mr. TIERNAN).

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

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

A recorded vote was refused.

So the amendments were rejected.

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

Mr. Chairman, I will not take the 5 minutes.

Mr. Chairman, I am pleased that the Appropriations Committee has included \$36,500,000 in foreign aid funds for the State of Israel to use in resettling and absorbing the thousands of refugees that have been arriving there from the Soviet Union. Senator EDMUND MUSKIE and I were the principal sponsors in the Senate and the House respectively of the authorizing legislation for this program in 1972, and successfully urged the Senate Foreign Relations Committee and the House Foreign Affairs Committee to include an additional authorization this

year. The House Subcommittee on State Department Organization, chaired by the distinguished gentleman from Ohio (Mr. HAYS) gave strong support to this proposal.

Although administration support for this program has not been readily forthcoming, the Congress has previously appropriated \$45 million. This additional appropriation will bring the total appropriations near the \$85 million figure set for the program in 1972. This total represents only about one-third the total annual cost to Israel of the refugee resettlement program.

This is a great humanitarian effort. We can be proud of the leadership the Congress has displayed in making these funds available to assist tens of thousands of refugees resettle in Israel.

AMENDMENTS OFFERED BY MR. TIERNAN

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

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: On page 8, line 3, delete "\$500,000,000" and insert "\$499,000,000."

Mr. TIERNAN. Mr. Chairman, I ask unanimous consent that the second part of my amendment be read and considered at the same time. It is on page 13. That the two amendments be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: On page 13, line 25, insert "and none of these monies shall be used to finance military credit sales to Chile."

Mr. TIERNAN. Mr. Chairman, in the conference report on the Foreign Assistance Act of 1973 passed, which passed the House of Representatives on December 4 and is now before the President for his signature, section 32 of that bill reads as follows:

It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes.

Now, my amendment would merely cut out the assistance to Chile, because it is clear that country is allowing that type of action, which we clearly set forth in the legislative enactment which I indicated had passed this House on December 4 and clearly since September 12 that government has held in Chile over 200 political prisoners.

Overwhelmingly, the Members of this House have indicated that they do not want to encourage any country to keep political prisoners within that country. The evidence is quite clear, and I am sure the Members of this House know the situation in Chile at this time. I think the amendment would be a very strong addition to this bill.

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

Mr. Chairman, I want to say again that I have profound respect for my distinguished colleague from Rhode Island, but it is hard for me to believe that he is



serious about offering this amendment. Chile was Communist. It had a Communist leader. No nation in the Western Hemisphere deteriorated as rapidly as Chile under the Communist regime.

They kicked out the Communist regime and they now have a friendly government, a government working towards democracy. Out of some 40 nations that we have in the military assistance program, we only provide \$1 million for Chile for the training program and \$10 million in credit sales.

We provided aid to the Communist regime in Chile. There were no objections last year that I know of to giving aid to Chile when they had a Communist regime, but now we have a friendly regime trying to develop a democracy, and to cut these funds out could conceivably turn them back the other way.

Mr. Chairman, I trust the members of the committee will vote this amendment down as we did the one offered a few moments ago.

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

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

The CHAIRMAN. The Chair will count. Eighty-three 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. 6491]

Abdnor	Foley	Mosher
Addabbo	Goldwater	Pike
Alexander	Gray	Poage
Bergland	Gubser	Rooney, N.Y.
Brown, Calif.	Harsha	Shoup
Burke, Calif.	Harvey	Steed
Carey, N.Y.	Hébert	Steiger, Wis.
Collier	Hunt	Stokes
Conyers	Jarman	Stubblefield
Daniel	Karth	Sullivan
Robert W., Jr.	Kastenmeier	Teague, Calif.
de la Garza	Krating	Veysey
Diggs	King	Vigorito
Dorn	Madigan	Walsh
Dulski	Martin, Nebr.	Whalen
Erlenborn	Mayne	Wyatt
Esch	Melcher	
Fisher	Mills, Ark.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, 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. 11771, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 381 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. KOCH. Mr. Chairman, first, I should like to say that I regret the calling of the quorum. It was not my doing, and I would want to have the amendment, which is also not mine but Mr. TIERNAN's, considered on the merits and not to have any irritability on the part of Members affect the final outcome. I will try as best I can to tell the Members why I rise in support of that amendment.

A young man who lived in my district and who went to Chile was, according to the reports available to me, killed by the Chilean Junta. That is why I am speaking tonight from this well in support of this amendment which would deprive Chile of further military aid. His name was Charles Horman. His wife, now a widow, and his father got in touch with me and told me what had happened. I will not give the Members the gory details, but I will tell you this, and it is in response to some of the comments that have been made by the opponents of the amendment with respect to Chile and the Allende government: I am not here to defend the Allende government. I disagreed with much that it did. There is no question but that Allende was a Marxist, a Communist, but the fact is that the Allende government was democratically elected, had a parliament made up of a majority of his opponents who were not Marxist or Communist, and there was a free press. It was a democratic government with an independent parliament and judiciary.

Today, as a result of the military junta's activities, there are hundreds of people in jail, if not thousands. There are hundreds of people who have taken refuge in the various embassies. Indeed, the Swedish Ambassador was just expelled from the country because he was the only Ambassador to physically defend the refugees who had received his protection under international law and who, had they been picked up by the junta, would have been slaughtered. He stopped them at the gate.

Why do I tell the Members this? I say this to the Members, not to praise the Allende government because I am not here to say praising things about the Allende government—many things that it did have got to be condemned—but what I am trying to convince them of is that it is not the role of the United States to involve itself in a civil war, because that, in fact, is what took place in Chile and what is taking place today.

There are many people who have written to me, and I believe many Members here have received similar letters, from those who believe that the CIA was in some way or other involved with the overthrow of the Chilean Government. Those suspicions have arisen by virtue of the fact that there were recent joint naval activities involving our Navy and the Chilean Navy. The suspicion comes out of the fact that many people believe we wanted to see the overthrow of that Government for good or bad reason. I have said to my constituents who have written that I hope and I want to believe we were not involved, that we learned our lesson.

But I know that if we continue to fund the Chilean junta with additional arms so that it can engage in additional repression of its own citizens, that those suspicions will not be allayed but will be enhanced. So what I am saying in support of this amendment is that if we do not want to have the blood of the victims of the military junta on our hands by virtue of their using our guns to shoot down their citizens, we should affirm the amendment.

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

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

Mr. FLOOD. I yield to the gentleman from Louisiana (Mr. PASSMAN).

Mr. PASSMAN. Mr. Chairman, I thank the distinguished gentleman from Pennsylvania for yielding.

I spoke on this amendment earlier but we have more Members here now. As we all know until recently we had a Communist regime in Chile and that country was deteriorating very rapidly. We now have a friendly government which is trying to form a democracy. There is a long way to go from communism to democracy.

In this bill for this friendly nation we have \$1 million for military training and we have \$10 million in military credit sales. I respect the distinguished gentleman from New York for his views but a little earlier the gentleman voted for \$2.2 billion in military assistance and sales for Israel, and I did not hear any argument from the gentleman. I certainly hope that the Members will vote this amendment down.

Chile pulled away from communism. We have a democracy forming in a very friendly country and we would be flying in the face of this new Government if this amendment were adopted. The military credit sales are short term and there is a favorable interest rate which will be applied to the loan. Only the \$1 million is in the form of grant aid.

I hope the Members will consider this on the same basis as the earlier amendment and vote it down.

Again I thank the distinguished gentleman from Pennsylvania for yielding.

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

Mr. FLOOD. I yield to the distinguished gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I rise in opposition to this amendment. I would like to call to the attention of Members of the House something I believe to be important.

One, there is no question that the Allende Government was a Communist government and a repressive government. I have facts which I know to be true which indicated that in 1 week's time, had the military not arisen, those revolutionaries who had infiltrated Chile would have joined with Allende and joined with that government and made it a totally Communist government. In 1 week's time that would have happened.

We ought to ask if the people of Chile have a right to self-determination. Of course they do. I think it is fundamentally wrong for us to say they have not when we founded our freedom in this country on a fight against oppression. Yes, we did. We based it on the facts and on the need and wants of our people. That does not mean I support bloodshed—I do not.

Chile has been a longtime friend of the United States. We have a temporary situation which has evolved. Our strength in this country and in our relationships with South America is critical. Our attitude toward Chile at this particular point could not be more critical.

cal as far as our whole Western Hemisphere relationship than it is now with Chile. It is wrong to say that we should not support Chile. The government has taken a friendly position and they are returning the expropriated land and expropriated industries and they are returning them back to private enterprise in those countries that had made the investment in the first place.

We should leave ourselves this one thought. If the Chileans were wrong, then why did the U.S.S.R. cut off their relationship with Chile?

They cut off their relations with Chile because they knew the jig was up and the game was over. We could be making the worst error in our Western Hemisphere relations by taking the situation we have today and supporting this particular amendment.

I trust the Members of the House will think clearly and concisely and recognize the strength of our country lies with our brothers in South America and let us not do something stupid that we cannot undo later on.

Mr. YOUNG of Illinois. Mr. Chairman, I move to strike the last word.

Gentlemen, it was stated here a few moments ago that a certain citizen of the United States was killed in Chile, evidently from the State of New York. It was stated that if we did not vote to support this amendment that the blood of that particular citizen might be on our hands.

Well, I hope that that is not a correct statement. I represent the 10th District of Illinois in which Mr. Frank Truggi was a resident. He was a citizen of the United States who was killed in Chile. I am going to vote against this amendment.

I do not think that if I vote against the amendment that I am going to have any blood on my hands, nor do I think the other Members of this assembly will have blood on their hands because they vote against this amendment.

I would also state that I am not here to defend the military junta of Chile. I am critical of them. I tried to get information through the State Department about the circumstances of Mr. Truggi's death. I have been trying for 2½ months. I have written a very caustic letter to the Secretary of State asking why we do not have better cooperation and better information about the death of Mr. Truggi.

But I say that this foreign aid bill is an entirely different matter. The tragic death of this young man has nothing whatsoever to do with the passage of this bill with respect to foreign military sales.

I think if this amendment is defeated or not defeated, it will not bring back these two young men who were killed in Chile.

I think the purpose of the amendment is wrong if it is going to be premised upon the argument advanced here today. I would not want to be a part of this body and vote against this amendment if I thought it would bring back either of these two citizens; it will not. I say, that is an irrelevant matter. Therefore, the amendment ought to be defeated.

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

Mr. YOUNG of Illinois. I will yield the balance of my time.

Mr. SHRIVER. Mr. Chairman, those of us on the subcommittee have been concerned with the results of cutbacks in making U.S. military equipment available to Latin American countries. It just does not work. They merely go elsewhere for their arms. They usually end up buying from some of our European allies who are only too happy to sell them whatever they want.

I do not see how it is in our national interest to antagonize our neighbor to the south, especially when we do not know what that government is about to do.

We must be reminded, these requests are illustrative and were made months and months ago. At that time Chile was under a Communist regime.

We have given assistance of this kind to every government of Chile, some right wing governments, some Communist governments, a Populist government, a liberal government, and to this one; so it is certainly in our national interest to maintain our positions with our neighbor to the south.

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

Mr. YOUNG of Illinois. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I just want to say that the Committee on Appropriations approved the pending measure in its present form. It was considered in great detail. I agree it is not perfect but I hope the House will support the committee, and in my opinion, the best interests of the United States and the Western Hemisphere will be served by defeating this amendment by a resounding vote.

Mr. HARRINGTON. Mr. Chairman, we have a rather clumsy, and I suppose awkward, doctrine that says we like to see nations in this world elect people freely. In 1970, after two or three less than satisfactory efforts, a fellow by the name of Salvador Allende was elected freely in Chile. He was a Marxist by definition, although I do not think he was much of a hard line Marxist. He was a Socialist, and I thought that in the context of an era that has been called pluralistic—a word that has had currency on both sides of this aisle, and which recently led to the welcoming to this country as recently as last week of the head of the Communist state of Romania, and which has led to efforts to develop détente and rapprochement with both the Republic of China and Russia—we were finally going to rise above our usual compulsive obsession and concern with labels about countries in this world.

Obviously, listening to debate, that is not the case at least not in this instance. I was in Chile, and I do not have any particularly developed expertise as a result of about 48 hours of intensive conversations, but I visited a place called the National Stadium, which I would commend to the attention of those who tend to disparage the reports critical of

the junta which have appeared in the American press.

I saw a board on the wall which indicated that at one point in late September, some 5,000 individuals—some of them, perhaps, Americans—had been kept in that stadium. I am not here this afternoon to suggest that we defend Salvador Allende or that we offer eulogies for the Chilean people, who are sophisticated politically and who are concerned about the direction their country has taken and the degree of chaos that characterizes it.

Neither am I here to suggest that we refuse to aid the junta by providing the Chilean people wheat, as we did within 3 weeks of the time the junta took over, and by providing supplies of corn.

All I would suggest is that this Congress recognize that the junta took over by force, whether we like it or not. They killed people, whether we like to admit to that or not. I do not think it important whether it was 1 million or 12 million; the point is, we have witnessed the destruction of a government freely elected by people 3 years ago, and we are now about to implicitly endorse that conduct. If we can aid the Chileans providing them with meals, because their economy is stagnated, and otherwise provide the sort of things that meet human needs, you will have no quarrel from me. But giving the junta guns marked "made in the United States of America" or conducting training programs in the defense command school at Panama is hypocrisy of rank proportions.

Mr. Chairman, I think it is time to go on record and begin to reject the kind of obsessive concern we have had with things bearing the labels "Communist" or "Marxist", and to recognize that if we are going to do what we are doing in Russia; if we are going to do what we are doing in China; if we are going to welcome the President of Romania to this country, then we can tolerate a regime like Allende's in Chile.

Mr. Chairman, I support in full the amendment offered by the gentleman from Rhode Island, and I hope we have the sense to design a foreign policy mature enough to suit the mid-1970's.

Mr. FRASER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not take the full 5 minutes.

The difficulty presented by the country of Chile today, if one sets aside the events of the coup, is that they have several thousand Chilean citizens who are in custody, who they have acknowledged will not be brought to trial; will not be freed but will simply be kept in prison for an indefinite period of time. This treatment of Chilean citizens is in violation of the guarantees of international rights. It was violations of human rights which formed the foundation we accepted earlier today in denying to the Soviet Union credits and non-discriminatory tariff treatment. We acted on the grounds that the Soviet Union was violating its obligations under international covenants with respect to human rights.

Mr. Chairman, there is much to be



said for the United States speaking out about violations of human rights, but for our position to be credible, we need to do it, whether it is occurring in the Soviet Union aimed primarily at Soviet Jewish citizens, or in Chile involving Chilean citizens who are in prison without the right to counsel, without the right to a trial, without any charges being brought, and with no prospect of release.

The past history of Chile, it seems to me, is not nearly so relevant as what the military junta is doing today with respect to its international obligations. We lose credibility if we say in the case of one country we are going to stand firm in behalf of human rights and then say in respect to another country that we really do not care.

What I am able to tell the Members is based upon a statement by the Ministry of the Interior in Santiago, who acknowledges that these people will not be given a chance to have charges made against them, will not have a trial, and will not be represented by legal counsel.

Mr. Chairman, let us stand up for human rights. Let us stand up for decency. I believe we can show our concern by supporting this amendment, an amendment which, it seems to me, carries forward the same principles we expressed so clearly earlier today.

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

Briefly, there are just a couple of things that need to be rebutted, in answer to the statements made by the gentleman from Minnesota and the gentleman from Massachusetts.

There is a clear tendency to ignore the fact that the Allende government had only 38 percent of the vote; it had nowhere near the support of a major of the population. Then, without any consent of the Congress of that nation, Allende and his Communist-dominated regime moved in, using the entire patronage operation of the State, to deny housing except to those who supported the regime, to deny food and welfare except to those who supported the regime.

They used every instrument of power to clamp a dictatorship upon the people, and in the process, of course, there were some feelings and liberties deeply hurt.

The other point that has been raised here that détente is involved is a spurious one, and one that is not relevant. While we seek openings for trade, and while we seek openings for peace with the major Communist bloc countries, they are simultaneously training men and women through their activities in Cuba, and they are training men and women of all nationalities through their apparatus worldwide, the techniques of subversion, sabotage and revolution in order to destroy democratic governments.

In this situation we have a responsibility to allow free world nations like Chile the opportunity to learn the techniques of self-defense.

I see nothing incompatible with our seeking détente with the major Communist bloc countries in the world and also granting the right, the techniques, and the tools of self-defense to a government such as that of Chile, which was able to

reverse the activities in process before it went under a Communist dictatorship.

I think the amendment before us is most inappropriate and I urge its defeat.

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

Mr. CONLAN. I yield to the gentleman.

Mr. ROE. Just one more point. Is it not well documented that, yes, there were a good many people temporarily incarcerated, but it is well documented, also, and well known in Western circles that the bulk of those people were revolutionaries from up and down the whole Western Hemisphere, who were gathering in Chile to take it over and to deny the people the rights of freedom?

Let us talk about détente. We all agree on the point of human rights being respected. There is no one in this body who does not believe in human rights being respected. But let us not sacrifice human rights. However, we may be misguided by a lack of information and facts and in that way put the Chilean people back in chains, because that is what we would be doing if we voted for this amendment.

Mr. CONLAN. I thank the gentleman for his comments. I yield back the balance of my time.

Ms. ABZUG. Mr. Chairman, I rise in support of the amendment offered by Mr. TIERNAN to strike U.S. aid to Chile.

On September 11, the legally elected, constitutional government of Dr. Salvador Allende was overthrown in a bloody coup d'état.

What shocked people at that time were the daily reports of murder, arrest, torture, and imprisonment of thousands of individuals, members of the government and ordinary citizens, Chilean and non-Chilean alike. I was appalled as were the people of all democratic nations. In fact, I received pleas from the families and friends of some of the Americans who were arrested and held in confinement by the junta, who I tried to assist. Their stories of brutality and deprivation of human freedom were overwhelming.

I am appalled today at the military aid this Congress is turning over to the military junta of Chile. Just today the Washington Post reported that Harald Edelstam, the Swedish Ambassador to Chile, said "tortures, and arrests of people continue in Chile 3 months after the military takeover." Ambassador Edelstam also estimated that the junta has been responsible for 15,000 deaths, the arrest of 7,000 people, and an additional 30,000 left homeless. On the same page in today's Post was a story reporting that there are several hundred people who remain inside the embassies of many nations, in asylum, unable to leave.

We cannot countenance American dollars going to repress the freedom of the individual. The present government in Chile remains in power by force. It took power through violence and reigns by violence.

It offends every notion of our concepts of democracy and defiles any meaning of foreign aid to use any money for this widely acknowledged repressive government.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Rhode Island (Mr. TIERNAN).

The question was taken, and the chairman announced that the yeas appeared to have it.

#### RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, yeas 304, not voting 26, as follows:

[Roll No. 650]

#### AYES—102

Abzug	Gude	Reid
Adams	Hamilton	Reuss
Addabbo	Harrington	Riegle
Anderson,	Hawkins	Robison, N.Y.
Calif.	Hays	Rodino
Ashley	Hechler, W. Va.	Roncalio, Wyo.
Aspin	Hicks	Rose
Badillo	Holtzman	Rosenthal
Blester	Horton	Roush
Bingham	Hungate	Roy
Blatnik	Johnson, Colo.	Ryan
Bolling	Kastenmeier	St Germain
Brademas	Koch	Sarbanes
Brasco	Kyros	Schroeder
Brown, Calif.	Leggett	Schlesinger
Burton	Lehman	Stanton,
Carney, Ohio	Long, La.	James V.
Chisholm	Lujan	Stark
Clay	McCloskey	Stubblefield
Conyers	McCormack	Studds
Coughlin	Meeds	Teague, Tex.
Culver	Melcher	Thompson, N.J.
Dellenback	Metcalfe	Tieman
Dellums	Mezvinsky	Udall
Denholm	Mink	Van Derlin
Drinan	Moakley	Vanik
Eckhardt	Moorhead, Pa.	Vigorito
Edwards, Calif.	Mosher	Waldie
Esch	Moss	Wilson,
Ford,	Natcher	Charles H.,
William D.	Nedzi	Calif.
Fraser	Obey	Wolf
Gaydos	O'Hara	Yates
Gibbons	Owens	Yatron
Ginn	Pike	Young, Ga.
Green, Pa.	Rangel	

#### NOES—304

Alexander	Clark	Flynt
Anderson, Ill.	Clausen,	Poley
Andrews, N.C.	Don H.	Forsythe
Andrews,	Clawson, Del	Fountain
N. Dak.	Cleveland	Frelinghuysen
Annunzio	Cochran	Frenzel
Archer	Cohen	Frey
Arends	Collier	Fröhlich
Armstrong	Collins, Ill.	Fulton
Ashbrook	Collins, Tex.	Fuqua
Bafalis	Conable	Gettys
Baker	Conlan	Gialmo
Barrett	Conte	Gilman
Bauman	Corman	Gonzalez
Beard	Cotter	Goodling
Bell	Crane	Grasso
Bennett	Cronin	Gray
Bergland	Daniel, Dan	Green, Oreg.
Bevill	Daniel, Robert	Griffiths
Blaggi	W., Jr.	Gross
Blackburn	Daniels,	Grover
Boggs	Dominick V.	Gunter
Boland	Danielson	Guyer
Bowen	Davis, Ga.	Haley
Bray	Davis, S.C.	Hammer-
Breaux	Davis, Wis.	schmidt
Breckinridge	de la Garza	Hanley
Brinkley	Delaney	Hanna
Brooks	Dennis	Hanrahan
Broomfield	Dent	Hansen, Idaho
Brotzman	Derwinski	Hansen, Wash.
Brown, Mich.	Devine	Harsha
Brown, Ohio	Dickinson	Hastings
Broyhill, N.C.	Dingell	Heckler, Mass.
Broyhill, Va.	Donohue	Heinz
Buchanan	Dorn	Helstoski
Burgener	Downing	Henderson
Burke, Fla.	Dulski	Hillis
Burke, Mass.	Duncan	Hinshaw
Burleson, Tex.	du Pont	Hogan
Burlison, Mo.	Edwards, Ala.	Hollifield
Butler	Elberg	Holt
Byron	Eshleman	Hosmer
Camp	Evans, Colo.	Howard
Carter	Evins, Tenn.	Huber
Casey, Tex.	Fascell	Hudnut
Cederberg	Findley	Hutchinson
Chappell	Flood	Ichord
Clancy	Flowers	Jarman

Johnson, Calif.	Murphy, Ill.	Skubitz
Johnson, Pa.	Murphy, N.Y.	Slack
Jones, Ala.	Myers	Smith, Iowa
Jones, N.C.	Nelsen	Smith, N.Y.
Jones, Okla.	Nichols	Snyder
Jones, Tenn.	Nix	Spence
Jordan	O'Brien	Staggers
Karth	O'Neill	Stanton,
Kazen	Parris	J. William
Kemp	Passman	Steed
Ketchum	Patman	Steele
Kluczynski	Patten	Steelman
Kuykendall	Pepper	Steiger, Ariz.
Landgrebe	Perkins	Steiger, Wis.
Landrum	Pettis	Stephens
Latta	Peysner	Stratton
Lent	Pickie	Stuckey
Litton	Poage	Symington
Long, Md.	Podell	Symms
Lott	Powell, Ohio	Talcott
McClary	Preyer	Taylor, Mo.
McCollister	Price, Ill.	Taylor, N.C.
McDade	Price, Tex.	Teague, Calif.
McEwen	Pritchard	Thomson, Wis.
McFall	Quie	Thone
McKay	Quillen	Thornton
McKinney	Railsback	Towell, Nev.
McSpadden	Randall	Treen
Macdonald	Rarick	Ullman
Madden	Rees	Vander Jagt
Madigan	Regula	Waggonner
Mahon	Rhodes	Wampler
Mailliard	Roberts	Ware
Mallory	Robinson, Va.	White
Mann	Roe	Whitehurst
Maraziti	Rogers	Whitten
Martin, Nebr.	Roncallo, N.Y.	Widnall
Martin, N.C.	Rooney, Pa.	Wiggins
Mathias, Calif.	Rostenkowski	Williams
Mathis, Ga.	Rousselot	Wilson, Bob
Matsunaga	Roybal	Wilson,
Mayne	Runnels	Charles, Tex.
Mazzoli	Ruppe	Winn
Michel	Ruth	Wright
Milford	Sandman	Wylder
Miller	Sarasin	Wylie
Minish	Satterfield	Wyman
Minshall, Ohio	Scherle	Young, Alaska
Mitchell, N.Y.	Schneebeli	Young, Fla.
Mizell	Sebelius	Young, Ill.
Mollohan	Shipley	Young, S.C.
Montgomery	Shriver	Young, Tex.
Moorhead,	Shuster	Zablocki
Calif.	Sikes	Zion
Morgan	Sisk	Zwach

## NOT VOTING—26

Abdnor	Gubser	Rooney, N.Y.
Burke, Calif.	Harvey	Shoup
Carey, N.Y.	Hébert	Stokes
Chamberlain	Hunt	Sullivan
Diggs	Keating	Veysey
Erlenborn	King	Walsh
Fish	Mills, Ark.	Whalen
Fisher	Mitchell, Md.	Wyatt
Goldwater	Rinaldo	

So the amendments were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The clerk will read.

The clerk read as follows:

## OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed \$10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

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

Mr. Chairman, I would like to ask the gentleman from Louisiana if he thinks that \$10,000 for the Overseas Private Investment Corporation to use for booze and entertainment will be quite enough?

Mr. PASSMAN. If the gentleman will yield, I can assure the gentleman that I would much prefer to have a reasonable representation allowance put in the bill where we can see it than to have them

get it from other sources. It takes a certain amount of money to entertain and I think we should have it out in the open. I think this is a reasonable amount.

Mr. GROSS. Does the gentleman think this will be enough for them to also pay their dues to the country club in the Potomac area that is operated by the World Bank and International Monetary Fund?

Mr. PASSMAN. Yes, I think it will take care of that adequately.

Mr. GROSS. Maybe the gentleman would like to wish them a Merry Christmas on behalf of the taxpayers.

Mr. PASSMAN. And a Merry Christmas to the gentleman, too.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

## INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States subscription to (1) paid-in capital stock; (2) callable capital stock; and (3) the United States share of the increase in the resources of the Fund for Special Operations authorized by the Acts of December 30, 1970 (Public Law 91-599), and March 10, 1972 (Public Law 92-246), \$418,380,000, to remain available until expended.

Mr. DINGELL. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, the international development banks have been doing an excellent job in carrying out the purpose for which they were created. However, a recent loan proposal before the Inter-American Development Bank has given me serious pause for concern that some loan be granted which would have direct adverse impact on a depressed industry in the United States, our U.S. fishing industry.

The loan would have financed high seas fishing vessels at financial terms not available to our fishermen, yet the boats would be competing with our fishermen and for fish which are under an international conservation agreement. I also understand financing for such boats is in general available through regular commercial channels. Specially favorable terms would provide unfair competition to our fishermen and should not be made available, even partially with U.S. taxpayers resources.

For this reason, Congresswoman SULLIVAN, who is unable to be here today, had intended to offer an amendment to this legislation which would have restricted use of the U.S. contribution for such purposes, an amendment I was prepared to support. However, Mrs. SULLIVAN and I were advised by the Treasury Department that such a proposal will not be considered by the Inter-American Development Bank until it is restructured and submitted for consideration next year. We have been assured that when this loan is considered next year the policies of the Bank will not permit the creation of unfair competition to our fishing industry nor will they permit adverse conservation impacts to occur.

Mr. Chairman, accordingly Mrs. SULLIVAN has decided not to offer an amendment to this legislation but I ask, Mr. Chairman, that her statement concern-

ing this matter be placed in the RECORD at this point:

Page 16, line 9, before the period insert the following:

: Provided, That none of the funds appropriated and paid to the Bank pursuant to this paragraph shall be used for investment in any project or undertaking which would have an adverse competitive effect on a depressed industry within the United States.

Is in order because it merely limits the loans for which the fund may be used—and has always been in order in appropriation bills.

Mrs. SULLIVAN. Mr. Chairman, I had planned to offer an amendment but in view of recent developments, I have decided not to do so.

The amendment I had intended to offer would amend that section of the bill before us that provides funds for the Inter-American Development Bank. It would restrict the use to which these funds, either in the form of paid in capital stock or callable capital stock or funds contributed to the Fund for Special Operations, could be used.

Mr. Chairman, I have always in the past voted for the authorization and appropriations for these various multilateral or regional development lending institutions. However, I am concerned when these multilateral and regional lending institutions make loans for projects which directly compete with U.S. enterprises and have an adverse effect on U.S. employment. I hasten to say, Mr. Chairman, that I am not opposed to these institutions making loans—even when in fact they are using U.S. dollars to make these loans—when the loans will be used to compete against U.S. enterprises which are in a healthy and viable financial and economic position.

I do, however, feel it is unwise and unwarranted to allow such loans to be made using U.S. dollars and U.S. guarantees, when such loans will be used and would have an adverse competitive effect on a depressed industry within the United States. This, Mr. Chairman, is the gist of the amendment I had planned to offer. It would have provided that no funds appropriated and paid to the Inter-American Development Bank could be used in any project or undertaking which would have an adverse competitive effect on a depressed industry within the United States.

The reason I had intended to offer an amendment at this time comes as the result of a proposed loan which was pending before the board of the Inter-American Development Bank and which would, among other things, have provided for the financing of a number of high seas fishing vessels and a number of other types of coastal fishing boats. As I understand it, many of these boats could be financed in the private capital market. I believe that the Inter-American Development Bank as a publicly owned development bank, should not be in the business of making loans on projects which can be financed in the private capital market.

But specifically, Mr. Chairman, our tuna industry in the United States—because of overcapitalization—is a de-



pressed industry, as is the U.S. fishing industry in general. This is why I had planned to offer an amendment at this time.

As I stated, we should not have these institutions, which rely so heavily on U.S. funds and guarantees, competing against depressed U.S. industries.

There are a number of other questions involved concerning the conservation aspects of the tuna catch, the full participation in the Inter-American Tropical Tuna Commission by tuna fishermen from various nations and a whole host of other questions that must be answered.

Mr. Chairman, in conclusion I recognized that this would have been a drastic action. I recognized further that many people would argue that we should not treat our sister countries who are trying to develop their own resources in this manner. But I believe that we must assure that our own people are able to lead decent and whole lives, and that their income is sufficient to meet their basic needs. Certainly, when we find depressed economic activity in one industry or another in our country we should not further antagonize a depressed industry by using our tax dollars and our Government guarantees to create an economic situation which will further exacerbate the problem.

Mr. Chairman, I have the full assurance of the Treasury Department and the U.S. Executive Director of the Inter-American Development Bank that the loan request over which I expressed concern—which called for the financing of a number of high seas fishing vessels as well as a number of other smaller craft—will not be considered. I am advised that the Bank will not deviate from its customary policy of not competing with the private sector and that it will not consider this request until it is restructured in a manner which would not compete unfairly with fishermen nor in a manner which would have an adverse conservation impact. In the interest of conservation, only a few high seas fishing vessels would be considered, as well as a number of small coastal fishing boats. This, in my judgment, is both fair and appropriate.

It is my further understanding that the Bank will adopt a policy of refusing to finance fishing boat loans for any type of fishing in the future except for limited coastal launch fishing vessels, such as red snapper, hake, et cetera, because these loans in general are available through regular commercial channels.

Mr. Chairman, in view of this understanding, I shall not offer an amendment to this legislation.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

EMERGENCY MILITARY ASSISTANCE FOR CAMBODIA

For emergency military assistance for Cambodia, \$150,000,000: *Provided*, That the funds appropriated in this paragraph shall be accounted for in accordance with section 108 of the Mutual Security Appropriation Act, 1956 (69 Stat. 438), as amended.

AMENDMENT OFFERED BY MR. STARK

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

The Clerk read as follows:

Amendment offered by Mr. STARK: On page 17, lines 11 and 12, strike out "\$150,000,000" and insert in lieu thereof "\$50,000,000".

Mr. STARK. Mr. Chairman, I would like to address the Members today to call their attention to a serious matter that I think has escaped the attention it should receive. On May 10, this House voted 224 to 172 to prohibit the use of funds to finance combat activities in Cambodia. We are being asked today to give \$150 million to pay Asians to do what we were unwilling to have our own countrymen do.

Further, it is important to note that there is no authorization for this appropriation. This is a matter of the Appropriations Committee solely on the advice of Admiral Moorer suggesting, in the words of Admiral Moorer:

What it amounts to is substituting artillery for bombs.

The Department of Defense is asking us today to let \$150 million go to shell Cambodian citizens when we voted in this House to cease bombing and cease interfering in a civil war.

I am asking for a \$100 million reduction in this \$150 million appropriation as a protest; as a protest to President Nixon's devious policy of subverting the will of Congress; as a protest against the military arrogance of the Department of Defense which has lied to Congress about previous bombing in Cambodia and now sneaks around without being willing to go before the Committee on Foreign Affairs and getting proper authorization; as a protest against our inhumanity which recently led us to renege on a commitment to rebuild 100 civilian homes in Cambodia which we admittedly bombed. Although the military and President lied to this group in saying we did not; and as a protest against undue secrecy, because nowhere in the committee report will they tell us what the \$150 million is to be used for.

There is a \$200 million draw down authority; there is \$167 million in support to the present Cambodian military machine, which gives them \$367 million; there is another \$150 million here, which would raise the total to \$517 million. I think we have adequately supported our position before, that we do not wish to interfere in a civil war to support a corrupt government to kill innocent people who cannot have their own determination.

Mr. Chairman, I ask the Members to support me in a vote of protest by removing \$100 million of this \$150 million from this appropriation bill at this time.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment. The hour is late and the Members may be a bit impatient, but I wish they would listen to my argument against this amendment.

All Members of this House are cleared for security purposes. I have in my hand a secret document that the Members can come to the desk and read in detail. I do not think I am violating any classification if I say to the Members that the Secretary of State, the Secretary of Defense, the Deputy Secretary of Defense, and the Deputy Secretary of State show the same urgency and the same priority

on the Cambodian aid as they do on the Israel aid. They have the same priority.

Now, in our hearings, and let me read, if I may, from page 151—and this is important:

Mr. CLEMENTS. That is right. I want the Record to be sure of that. We have left an inference in the Record by saying in our judgment, both Defense and State, Cambodia cannot survive without this \$200 million. That is a positive statement. I want to make the Record perfectly clear now that with the \$200 million we have no guarantee that they will survive.

Now, I will read on, if I may, on page 151, as follows:

Admiral MOORER. Without the \$200 million we would be forced to draw down on the other parts of the MAP program and give Cambodia priority.

Mr. PASSMAN. I believe you made the statement earlier. Without the \$200 million you would have to use all of the other regular military assistance funds for only Cambodia?

Mr. RUSH. Yes, sir.

Now, at the bottom of the page, on page 151, we read the following:

Mr. RUSH. I would say this: We are sure without supplying this \$200 million from some source, Cambodia does not have a chance, because they have no bullets to shoot. If we give it to them, they have some, we hope, at least a 50-50 chance to survive.

Now, that is the story. But after long deliberations and discussions with all members of the subcommittee, we decided, inasmuch as we had some military assistance in other parts of the bill that could be used for Cambodia, we would write a tight bill and give Cambodia only \$150 million.

Now, it would be much better to cut it all out than to cut it down to \$50 million.

Mr. Chairman, I hope the Members will back the committee. So far as I know, it was a unanimous decision. I do not believe there were any reservations, because they made an extremely strong case for Cambodia. I believe my good friend, the gentleman from Illinois, will agree that on actual cold-blooded facts they made a better case on funds for Cambodia than they did on funds for Israel.

So I hope the Members will vote the amendment down. If the Members are interested in this document, it is available, and if the Members read it, I do not believe they can possibly vote against my position.

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

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

Mr. WALDIE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, if this amendment is agreed to and there was a threat that Cambodia would not survive, I will ask the gentleman, in view of that threat, then to tell me as a member of the committee what the consequences of Cambodia's not surviving would be to our country?

Mr. PASSMAN. Mr. Chairman, I want to thank the gentleman for honoring me with such highfaluting questions. I do wish to answer the gentleman's question.

In all probability, it would be one step toward all of Southeast Asia falling sooner or later. I think the gentleman knows that as well as I do.

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

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

Mr. WALDIE. Mr. Chairman, do I understand that although that is a great possibility, if I understood the testimony, that Cambodia will still fall, then this \$150 million may be all that is between us and the fall of all of Southeast Asia?

Mr. PASSMAN. They have a 50-50 chance to survive if we give them bullets. They are asking mostly for bullets. I think they have a fair chance of surviving if we give them this aid.

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

Mr. Chairman, I will say to the Members of the House that we have been able to withdraw over 500,000 of our troops from Southeast Asia. We have withdrawn another 60,000 men from other countries in the area.

We have moved a long ways from a year ago when we had this appropriation bill before us.

We do have what I think is a substantial investment in connection with that part of the world. My son was over there, and I know he thinks it is an investment. We must consider the number of dead and wounded and the cost to us of the war. It is all outlined in our report, and I suggest that the Members look at it.

We do have an investment there, and this little amount for ammunition, which is all it is, is justified. This amendment should be soundly defeated.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

It was my amendment that represented the first language, the first direct prohibition, in the continuing resolution against continuing bombing in Southeast Asia, including Cambodia. So I feel that I have some entitlement to speak against this amendment.

Now, Mr. Chairman, \$150 million is a relatively small sum of money for a country of 7 million people. It is a very primitive country. I visited there in August, and I think any feelings I have were reinforced as a result of that visit. We decided that we were not going to bomb in Cambodia, and we made that decision. As a part of that decision we committed ourselves to supplying them with enough weapons so that they could do the fighting themselves. I think to go back on that would be to break a debt of honor.

Our policy in Cambodia has been successful so far. They told me all they needed was enough artillery to keep on fighting, and believe me, they do not pay their armed forces. Wives and children go into the foxholes with their fighting men. I thought it was one of the most moving experiences of my life to go there and visit.

Let me say to those who want as I do to see money for Israel. I think you will see the greatest mistake in your life if you vote down money for Cambodia and at the same time insist on giving money to Israel. It will create tremendous bitterness. You will still get the bill through, but there will be a lot of bitterness in time to come.

After all, we are following a consistent

policy in the Middle East. We are sending them the weapons to fight for themselves, just as in Cambodia we are sending them the weapons to fight for themselves. So our policy in the two countries is totally consistent. I think a vote to cut Cambodia aid is a vote to cut aid to Israel, if not in this bill then in subsequent legislation.

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

Mr. Chairman, I am as anxious as any member of this committee to have a vote, but I think it is rather ridiculous to infer that the fate of this Nation is predicated upon the maintenance of the very weak reed, Cambodia. Surely no one seriously offers that proposition.

I have great affection and admiration for my friend from Maryland (Mr. Long), but surely he does not believe that. We could not survive if we depended upon Cambodia.

Kid yourself not. We are talking essentially about an internal family battle. That is the closest family-held corporation in the Far East, and whoever survives there it will be one or the other part of the same family succeeding to governing.

I think it is time we look at some of these priorities of ours. We have a Nation sorely beset with a multitude of very burdensome problems and a careful review of the conduct of the government in Cambodia reflects no honor upon them.

They reflect nothing there that has advanced the interests of the Cambodian people, and this \$100 million cut taken out will do no harm. Left in, it will not save them.

We continue throughout this whole area of the Far East to witness the will of people given far less resources than we have given in Cambodia, in Laos, and Vietnam, continue to survive. And I am talking of the North Vietnamese Nation and its resources as contrasted to the billions that we have been pouring into South Vietnam. I am talking about Laos, where we have wasted literally billions of dollars. And I am talking of Cambodia.

We committed a major and tragic error when we got ourselves into the mess over there in the first place. And do not believe that we are going to extricate ourselves for another \$100 million or \$150 million.

You can say it does not amount to very much. Well, you come out and tell my people that it does not amount to very much. My State is a State of 23 million people, and yet \$150 million in its budget can cause considerable concern among the taxpayers of the State of California. They are concerned, and they think that we have been less than prudent in our stewardship over their dollars, and in this instance I concur. And if we do not cut it we are going to prove that we continue to be imprudent.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MOSS was allowed to proceed for 1 additional minute.)

Mr. MOSS. Mr. Chairman, I have requested this additional time so that I

might yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, the gentleman from California just got through saying that we have ourselves to blame for getting involved in the mess in Cambodia, but will the gentleman from California not agree with the fact that it was the U.S. bombing in Cambodia that got these poor, primitive people into the situation in which they are now? And having gotten them into the situation they are in, the gentleman from California proposes to walk away and leave them without any help at all.

Mr. MOSS. Mr. Chairman, I will yield no further. The gentleman from Maryland is trying to tell us that we are going to save them from the ravages of bombing by giving them artillery rather than rifle ammunition. I think that is plain damn foolishness, and again I cannot concur.

Ms. ABZUG. Mr. Chairman, I rise in support of this amendment. It is extremely cynical for this Congress to appropriate further funds for Cambodia. Last August we insisted that our bombers be withdrawn, and stated our intent to end U.S. involvement in Asian civil wars. Now this bill continues our involvement in a different form, simply substituting American money and supplies for American pilots. We are still supporting the same corrupt regimes that we have underwritten for so long.

This morning's Washington Post tells us that President Lon Nol has accepted the resignation of the "reformed" cabinet which was sworn in only last May. The United States urged then that Lon Nol broaden the base of his undemocratic government, so three opposition leaders were invited in, and one accepted the premiership. He soon claimed, however, that his ability to govern was being restricted; he wanted to negotiate with all Cambodian factions, and President Lon Nol does not. Now the premier has resigned, and Lon Nol remains firmly opposed to negotiations to end the war. Why should he negotiate—when he can continue receiving over \$500 million this year from the U.S. taxpayers? On top of the \$180 million authorized it is claimed there is a \$200 million shortfall and this appropriation bill recommends \$150 million.

The fact is the conference report on the Foreign Assistance Act which we passed last week, gives the President special authority to drawdown defense articles and services from the stocks of the Department of Defense. On page 36 of the conference report it is stated:

It is the intent of the committee of conference that up to \$200 million of the emergency military assistance requirements for Cambodia be furnished pursuant to the authority contained in this section [Special Drawdown Authority].

In the general debate of this bill, in answer to my question as to whether the President could use the drawdown authority for \$200 million in addition to the \$150 million we are being called upon to appropriate, the answer was "yes." Thus we are really appropriating today \$180 million, plus \$150 million,



plus \$200 million for a grand total of \$530 million.

It is widely reported that the Khmer forces are under pressure from Hanoi, Peking and Moscow to negotiate a peace settlement. The efforts of the United States should be directed to the same goal. Instead, the more arms and supplies we send to Lon Nol, the more aid the other side must send. It was also reported this week by David Shieler of the New York Times, that there is no evidence of North Vietnamese troops in Cambodia, which destroys one rationale the administration has used. Why do we continue supporting this unpopular regime?

A sober staff report prepared last April for the Senate Subcommittee on U.S. Security Agreements and Commitments Abroad, concluded that:

... it was far from clear that the political and military intervention of the United States would have a decisive effect on the situation in Cambodia. It was clear, however, that the United States had become far more deeply and directly involved than ever before in the conduct of the war in Cambodia, as well as in Cambodia's internal political affairs... only U.S. air support had enabled the Cambodian Government's forces to survive... We found widespread doubt... that even continued American air support and a reorganization of the Lon Nol government... would arrest the government's decline...

Why are we still asking thousands of Cambodians to die for a government they do not even want? With American resources so low that our homes must be cold this winter, why are we sending oil and planes and ammunition to kill more Asians? We are just as responsible for their deaths as we were when Americans flew the planes and dropped the bombs.

The only possible beneficiaries of our action today are the military contractors and the Cambodian generals with Swiss bank accounts—certainly not the people of Indochina, and not the people of the United States.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

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

#### RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 256, not voting 29, as follows:

[Roll No. 651]

#### AYES—147

Abzug	Chisholm	Flynt
Adams	Clay	Ford
Alexander	Cochran	William D.
Anderson,	Collins, Ill.	Fountain
Calif.	Conyers	Fraser
Andrews, N.C.	Corman	Frenzel
Aspin	Cotter	Fulton
Badillo	Culver	Gaydos
Baker	Danielson	Gibbons
Bergland	Dellums	Ginn
Bingham	Denholm	Gonzalez
Blatnik	Diggs	Gray
Boland	Dingell	Green, Pa.
Brademas	Drinan	Griffiths
Brown, Calif.	Dulski	Gross
Burke, Fla.	Eckhardt	Gude
Burton	Edwards, Calif.	Gunter
Byron	Esch	Hamilton
Carney, Ohio	Evans, Colo.	Hanley

Hanna	Metcalfe	Ryan
Hansen, Wash.	Mezvinisky	St Germain
Harrington	Milford	Sarbanes
Harsha	Miller	Schroeder
Hawkins	Mink	Seiberling
Hechler, W. Va.	Moakley	Shipley
Heckler, Mass.	Montgomery	Shuster
Helstoski	Moorhead, Pa.	Stanton,
Hicks	Moss	James V.
Holtzman	Natcher	Stark
Howard	Nedzi	Steelman
Hungate	Obeys	Stuckey
Johnson, Calif.	O'Neill	Studds
Karh	Owens	Symington
Kastenmeier	Pike	Taylor, N.C.
Kazcn	Podell	Thompson, N.J.
Koch	Pritchard	Tiernan
Kyros	Randall	Udall
Leggett	Rangel	Ullman
Lifton	Rarick	Van Deerlin
Long, La.	Rees	Vanik
McCloskey	Reid	Vigorito
McCormack	Reuss	Waldie
McDade	Riegle	Wilson,
Macdonald	Rodino	Charles H.,
Madden	Rogers	Calif.
Mann	Roncallo, Wyo.	Wylle
Mathis, Ga.	Rose	Wyman
Mazzoli	Rosenthal	Yatron
Meeds	Roush	Young, Ga.
Melcher	Roy	Zion
	Runnels	

#### NOES—256

Addabbo	Dennis	McEwen
Anderson, Ill.	Dent	McFall
Andrews,	Derwinski	McKay
N. Dak.	Devine	McKinney
Annuizio	Dickinson	McSpadden
Archer	Donohue	Madigan
Arends	Dorn	Mahon
Armstrong	Downing	Mailliard
Ashbrook	Duncan	Mallory
Ashley	du Pont	Maraziti
Bafalis	Edwards, Ala.	Martin, Nebr.
Barrett	Ellberg	Martin, N.C.
Bauman	Eshleman	Mathias, Calif.
Beard	Evins, Tenn.	Matsunaga
Bell	Fasell	Mayne
Bennett	Findley	Michel
Bevill	Flood	Minish
Biaggi	Flowers	Mitchell, N.Y.
Blester	Foley	Mizell
Blackburn	Forsythe	Mollohan
Boggs	Frelinghuysen	Moorhead,
Bolling	Frey	Calif.
Bowen	Froehlich	Morgan
Brasco	Fuqua	Murphy, Ill.
Bray	Gettys	Murphy, N.Y.
Breaux	Gialmo	Myers
Breckinridge	Gillman	Nelsen
Brinkley	Goodling	Nichols
Brooks	Grasso	Nix
Broomfield	Green, Oreg.	O'Brien
Brotzman	Grover	O'Hara
Brown, Mich.	Guyer	Parris
Brown, Ohio	Haley	Passman
Broyhill, N.C.	Hammer-	Patten
Broyhill, Va.	schmidt	Pepper
Buchanan	Hanrahan	Perkins
Burgener	Hansen, Idaho	Pettis
Burke, Mass.	Hastings	Peyser
Burleson, Tex.	Hays	Pickle
Burlison, Mo.	Heinz	Poage
Butler	Henderson	Powell, Ohio
Camp	Hillis	Preyer
Carter	Hinshaw	Price, Ill.
Casey, Tex.	Hogan	Price, Tex.
Cederberg	Holifield	Quile
Chamberlain	Holt	Quillen
Chappell	Horton	Rallsback
Clancy	Hosmer	Regula
Clausen,	Huber	Rhodes
Don H.	Hudnut	Rinaldo
Clawson, Del	Hutchinson	Roberts
Cleveland	Ichord	Robinson, Va.
Cohen	Jarman	Robison, N.Y.
Collier	Johnson, Pa.	Roe
Collins, Tex.	Jones, Ala.	Roncallo, N.Y.
Conable	Jones, N.C.	Rooney, Pa.
Conlan	Jones, Okla.	Rostenkowski
Conte	Jones, Tenn.	Rousselot
Coughlin	Jordan	Royal
Crane	Kemp	Ruppe
Cronin	Ketchum	Ruth
Daniel, Dan	Kluczynski	Sandman
Daniel, Robert	Kuykendall	Sarasin
W. Jr.	Landgrebe	Satterfield
Daniels,	Latta	Scherle
Dominick V.	Lehman	Schneebell
Davis, Ga.	Lent	Sebelius
Davis, S.C.	Long, Md.	Shriver
Davis, Wis.	Lott	Sikes
de la Garza	Lujan	Sisk
Delaney	McClory	Skubitz
Dellenback	McCollister	Slack

Smith, Iowa	Taylor, Mo.	Williams
Smith, N.Y.	Teague, Calif.	Wilson, Bob
Snyder	Teague, Tex.	Wilson,
Spence	Thomson, Wis.	Charles, Tex.
Staggers	Thone	Winn
Stanton,	Thornton	Wolff
J. William	Towell, Nev.	Wright
Steed	Treen	Wylder
Steele	Vander Jagt	Yates
Steiger, Ariz.	Waggonner	Young, Alaska
Steiger, Wis.	Wampler	Young, Fla.
Stephens	Ware	Young, Ill.
Stratton	White	Young, S.C.
Stubblefield	Whitehurst	Young, Tex.
Symms	Whitten	Zablocki
Talcott	Widnall	Zwach

#### NOT VOTING—29

Abdnor	Hébert	Rooney, N.Y.
Burke, Calif.	Hunt	Shoup
Carey, N.Y.	Keating	Stokes
Clark	King	Sullivan
Erlenborn	Landrum	Vessey
Fish	Mills, Ark.	Walsh
Fisher	Minshall, Ohio	Whalen
Goldwater	Mitchell, Md.	Wiggins
Gubser	Mosher	Wyatt
Harvey	Patman	

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to this huge expenditure bill.

As we consider H.R. 11771, the foreign aid appropriations bill, I am sure that many Members are aware of the fact that some of the countries which have received American foreign aid over the years have displayed a very cavalier attitude toward our generosity. Their spokesmen and politicians have acted as though the American taxpayer would be willing to provide an endless flow of dollars, despite the fact that some recipient countries would apparently take every opportunity to attack the United States and to undermine its defense and foreign policy objectives.

Recently a local radio station in Washington, WWDC, has been broadcasting a remarkable editorial by Mr. Gordon Sinclair, of radio station CFRB, in Toronto, Ontario, Canada, which was originally broadcast on June 5, 1973. This editorial, entitled "Americans," is an inspiring expression of the appreciation which one foreign commentator feels for the help which Americans have often thanklessly provided.

I understand that several thousand listeners have responded to Mr. Sinclair's editorial by requesting copies of it from WWDC. This response indicates that Mr. Sinclair has sensitively articulated the feelings of many Americans, and I therefore think it would be most appropriate to share the editorial with my colleagues at this time:

["Let's Be Personal"—broadcast of June 5th, 1973]

#### AMERICANS

The United States dollar took another pounding on German, French and British exchanges this morning, hitting the lowest point ever known in West Germany. It has declined there by 41% since 1971 and this Canadian thinks it is time to speak up for the Americans as the most generous and possibly the least-appreciated people in all the earth.

As long as sixty years ago, when I first started to read newspapers, I read of floods on the Yellow River and the Yangtze. Who rushed in with men and money to help? The Americans did.

They have helped control floods on the Nile, the Amazon, the Ganges and the Niger. Today, the rich bottomland of the Mississippi

is under water and no foreign land has sent a dollar to help. Germany, Japan and, to a lesser extent, Britain and Italy, were lifted out of the debris of war by the Americans who poured in billions of dollars and forgave other billions in debts. None of those countries is today paying even the interest on its remaining debts to the United States.

When the franc was in danger of collapsing in 1956, it was the Americans who propped it up and their reward was to be insulted and swindled on the streets of Paris. I was there. I saw it.

When distant cities are hit by earthquake, it is the United States that hurries in to help . . . Managua, Nicaragua is one of the most recent examples. So far this spring, 59 American communities have been flattened by tornadoes. Nobody has helped.

The Marshall Plan . . . the Truman Policy . . . all pumped billions upon billions of dollars into discouraged countries. Now newspapers in these countries are writing about the decadent war-mongering Americans.

I'd like to see just one of those countries that is gloating over the erosion of the United States dollar build its own airplanes.

Come on . . . let's hear it! Does any other country in the world have a plane to equal the Boeing Jumbo Jet, the Lockheed Tristar or the Douglas 10? If so, why don't they fly them? Why do all international lines except Russia fly American planes? Why does no other land on earth even consider putting a man or woman on the moon?

You talk about Japanese technocracy and you get radios. You talk about German technocracy and you get automobiles. You talk about American technocracy and you find men on the moon, not once, but several times . . . and safely home again. You talk about scandals and the Americans put theirs right in the store window for everybody to look at. Even the draft dodgers are not pursued and hounded. They are here on our streets, most of them . . . unless they are breaking Canadian laws . . . are getting American dollars from Ma and Pa at home to spend here.

When the Americans get out of this bind . . . as they will . . . who could blame them if they said "the Hell with the rest of the world." Let someone else buy the Israel bonds. Let someone else build or repair foreign dams or design foreign buildings that won't shake apart in earthquakes.

When the railways of France, Germany and India were breaking down through age, it was the Americans who rebuilt them. When the Pennsylvania Railroad and the New York Central went broke, nobody loaned them an old caboose. Both are still broke. I can name to you 5,000 times when the Americans raced to the help of other people in trouble.

Can you name me even one time when someone else raced to the Americans in trouble? I don't think there was outside help even during the San Francisco earthquake.

Our neighbours have faced it alone and I'm one Canadian who is damned tired of hearing them kicked around. They will come out of this thing with their flag high. And when they do, they are entitled to thumb their nose at the lands that are gloating over their present troubles.

I hope Canada is not one of these. But there are many smug, self-righteous Canadians. And finally, the American Red Cross was told at its 48th Annual Meeting in New Orleans this morning that it was broke.

This year's disasters . . . with the year less than half over . . . has taken it all and nobody . . . but nobody . . . has helped.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

#### LIMITATION ON PROGRAM ACTIVITY

Not to exceed \$7,650,000,000 (of which not to exceed \$3,800,000,000 shall be for equipment and services loans) shall be authorized during the current fiscal year for other than administrative expenses.

#### AMENDMENT OFFERED BY MR. ICHORD

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

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 18, line 10, strike out the period and insert in lieu thereof the following: "; except that no funds shall be obligated or expended under this paragraph, directly or indirectly, for the use or benefit of any nonmarket economy country (other than any such country whose products are eligible for column 1 tariff treatment on the date of the enactment of this Act) until the President makes a report to the Congress on his determination that such country does not (1) deny its citizens the right or opportunity to emigrate; (2) impose more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or (3) impose more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice."

#### POINT OF ORDER

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment in that it requires a Presidential determination and is legislation on an appropriation bill.

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

Mr. ICHORD. I do, Mr. Chairman.

Mr. Chairman, I would hope that the gentleman from Louisiana would withdraw his point of order, because the amendment which I offer is exactly the Vanik amendment which has been adopted by the House by a vote of 4 to 1.

Mr. Chairman, I submit that the amendment is in order, and I refer the Chair to Hinds' precedents, section 3942. An amendment which was submitted to an appropriation bill, to an agricultural appropriation bill, provided that no part of the appropriation shall be available for the agricultural college of Utah until the Secretary of Agriculture shall be satisfied and shall so certify to the Secretary of the Treasury that no trustee, officer, instructor, and so forth, is engaged in the practice of polygamy.

That required a certification by the Secretary of Agriculture, Mr. Chairman. This requires a certification by the President that certain nations do not deny the rights of immigration to their citizens. It is a certification and report on the basis of that precedent, and I submit, Mr. Chairman, that the amendment is in order. If not, I have another amendment at the desk which will be in order, on trade to Russia.

Mr. PASSMAN. Mr. Chairman, out of respect for 435 tired Members of this body, I ask for a ruling.

The CHAIRMAN. The Chair is ready to rule. The amendment requires the President to make a report to the Congress on his determination that a certain country does not deny its citizens the right or opportunity to emigrate, impose more than a nominal tax on emigration, and certain other factors.

This evidently places additional duties upon the President and requires new determinations. A similar amendment was ruled out as legislation when the foreign aid appropriation bill was considered in 1972. The Chair holds that the amendment is legislation on an ap-

propriation bill and sustains the point of order.

#### AMENDMENT OFFERED BY MR. ICHORD

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

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 18, line 10, strike out the period and insert in lieu thereof the following: "; except that no funds shall be obligated or expended under this paragraph, directly or indirectly, for the use or benefit of any nonmarket economy country (other than any such country whose products are eligible for column 1 tariff treatment on the date of the enactment of this Act)."

#### POINT OF ORDER

Mr. SHRIVER. Mr. Chairman, I raise a point of order on this amendment.

This amendment, like the other one, places additional responsibilities and additional duties. It is legislation on an appropriation bill; it requires considerable research and work in order to determine the nonmarket economy country. And then that is put just in parentheses in the bill.

Mr. ICHORD. Mr. Chairman, may I address myself to the gentleman's point of order?

The CHAIRMAN. The gentleman from Missouri (Mr. ICHORD) may be heard on the point of order.

Mr. ICHORD. Mr. Chairman, I have previously checked with the Parliamentarian, and I have stated before that I would have preferred to have offered the Vanik amendment, but this is a direct limitation saving that no country shall be extended credit by the Export-Import Bank if it is a nonmarket economy nation and does not have preferential treatment under Tariff Schedule I.

It is solely a limitation, Mr. Chairman, and I submit that the amendment is in order by all of the precedents of the House.

The CHAIRMAN (Mr. PRICE of Illinois). The Chair is prepared to rule.

The language, as contained in this amendment, appears to the Chair to be strictly a limitation on the manner in which the funds are to be expended. Almost any limitation requires some determination in order to establish the fact of whether or not the limitation would apply.

So the Chair is constrained to overrule the point of order.

Mr. ICHORD. Mr. Chairman, I will say to the members of the committee that I apologize for offering this amendment at this late hour. However, it is an amendment upon which I feel very strongly. I would have preferred that the amendment be stated in the exact language of the Vanik amendment, but I offer this amendment, Mr. Chairman, because I am unalterably opposed to credit being extended to such nonmarket countries, and to this date this is the first time that this House has had the opportunity to pass upon this very important policy matter.

Mr. Chairman, I do not stand in the well this evening in opposition to the operations of the Export-Import Bank. I do not stand here in the well in opposition to trade with Soviet Russia. If trade with the Soviet Union will lessen world tensions, well and good.

But I think that we should seriously



consider what we are doing and what we have done to date if we continue to extend large credits to the Soviet Union without any safeguards. Before we extend credits we should first get a quid pro quo. Let us first see some meaningful action on the part of the Soviets in mutual arms reduction. Let us first see them change their emigration policies in recognition of the most elementary human rights.

Mr. Chairman, I think that this policy of extending credit to the Soviet Union defies commonsense. I fear, Mr. Chairman, that we are about to be taken by some of the large deals that are now pending, just as we were taken on the Russian wheat deal.

And I submit, Mr. Chairman, that this body should stop and ask itself this question: Why are we spending \$80 billion a year for defense of the United States today?

We are not appropriating \$80 billion a year because of the threat that India presents to this country; we are not appropriating \$80 billion a year because of the threat posed by Communist Cuba; we are not even appropriating \$80 billion a year for defense because of the threat posed by Communist China. We are appropriating \$80 billion a year because of the threat posed by the Soviet Union, and we have recently seen what has happened in the Mideast situation with the supplying of arms by the Soviet Union to the Arabs, fueling the fires of war in the Mideast area.

If, Mr. Chairman, we continue, and we are doing it right now—in fact, we have \$253 million already preliminarily committed—if we continue with this credit, Mr. Chairman, we are making it easier for the Soviet Union to continue to divert such a large portion of its gross national product to the production of military armaments. They have in the last decade built up the greatest military machine in the history of civilization. It defies commonsense to me to loan them money and make it easier for them to continue to build up that huge military machine.

I move the adoption of my amendment.

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

Of course, it is not an easy thing to do, but it is the right thing to do. Let us be realistic about this. There is no concession being made to Russia here. There are no concessions on interest or on the prices of commodities. We are selling and will sell millions of dollars worth of equipment and commodities to Russia. We put up 50 percent of the money and 50 percent of it comes from the independent commercial banks. This program furnishes a tremendous profit to the American businessman and to the U.S. Treasury.

If we are ever going to adopt the policy that we are not going to sell to people we do not like, then I do not know where it will lead us. We have several Communist countries we have been making Export-Import Bank loans to. They are up to date and approved. It is just a question of whether you want to take the position that you do not want to sell to any government that is contrary to ours.

I can assure you the Export-Import

Bank is one of the finest agencies of the Federal Government. They have earned profits and funds for the American manufacturer and the working man who pays it directly into the U.S. Treasury for taxes; and the Export-Import Bank paid in dividends some \$800 million to the U.S. Treasury.

I just do not know the purpose of the amendment. I would like to ask my very dear friend from Missouri this question.

Mr. ICHORD. I will be very happy to answer.

Mr. PASSMAN. In prior years the gentleman has offered these amendments and voted against the bill. If your amendment is adopted, will you vote for the bill this afternoon?

Mr. ICHORD. I will state to the gentleman that I will reverse my position. If the House votes for this amendment, I will vote for the bill.

Mr. PASSMAN. Well, that is one vote we did not expect.

Mr. SHRIVER. Will the gentleman yield?

Mr. PASSMAN. I am very happy to yield to the distinguished gentleman from Kansas.

Mr. SHRIVER. I want to concur in the excellent statement our chairman is making.

The Export-Import Bank has been very important as to the balance-of-payments situation and our trade situation in the world. They are making money for this country.

Mr. PASSMAN. It is a tremendous profit for the United States to sell to the Soviet Union directly. I hope we vote this amendment down.

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

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Missouri.

I am going to leave aside for the moment the question of what it is we are selling to the Soviet Union. Frankly, I am convinced we are selling them things that we should not in the best interests not only of our security but of the economy of the United States.

I am going to address myself to only one thing here, and that is the question of under what conditions should we extend credit to any country whether it is the Soviet Union or anyone else. It is the first and primary responsibility of any leading institution to make sure that your borrower is credit worthy. Now, how do you determine that? You find out what they have in the way of cash reserves and what they have in the way of gold and what their productive capacities are. Let me tell you a little fact about the Soviet Union, that is, we do not know how much gold they have. We have heard estimates that they have anywhere from 2 million to 6 million tons of gold. Why can we not make them pay us in cash?

I do not think we can give them such credit as it looks like we will be giving them.

I recently read an article where someone asked Mr. Alkinno, the Deputy Minister from Russia who was visiting in this country, and said:

Mr. Minister, why don't you explain your government's gold reserves; tell us just how

much gold you have so that we will know whether to extend to you these generous credits.

And this was Mr. Alkinno's answer. He said:

If our government told you how much gold we have you may determine that we do not need credit if we have got too much gold, and if we tell you how much we have you might decide we don't have enough to warrant you giving us credit.

Is that not a happy situation to do business under? Yet that is exactly the circumstances under which we are extending credit today to the Soviet Union.

I can just imagine any one of us going to our friendly neighborhood banker, and saying, "I want to borrow some money." And the banker then says, "Well, I will want to see your balance sheet to see what you have." And if we were to look at the banker and say, "Mr. Banker, if I were to tell you how much I had you might decide I do not need the loan because I am too well off. On the other hand, you might decide that I am not good enough for a loan. So just go ahead and loan me the money." Why, that banker would laugh all the way kicking you out the back door, and he ought to.

Until we begin to take some steps to insure that we are dealing with a country that will pay back the loan, and that they are reliable, then I do not think we want to do business with them on credit unless we do.

And, Mr. Chairman, I am leaving aside many other points that could be discussed this evening on this bill.

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

Mr. BLACKBURN. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, let me assure the gentleman from Georgia that the gentleman misunderstands the type of credit that is being extended. They are secured credits insofar as credits can be secured. They are loans and they are very profitable. No strategic materials, and a high level of interest for the banks putting up 50 percent of the credit.

It simply means more money into the U.S. Treasury.

However, if we are talking about not selling to countries not because of their credit, but because we do not like them, then the amendment is good, but it is not good for America.

Mr. BLACKBURN. Mr. Chairman, I would ask the gentleman from Louisiana to please conclude his remarks, because they are coming out of my time.

Mr. Chairman, I forgot to point out something concerning the security in making these deals with the Soviet Union. If we build the large truck factory over there and install \$200 million worth of American equipment, can the gentleman from Louisiana tell me if anybody is going to pick up that equipment and bring it back home if they do not pay the loan?

Mr. ICHORD. Mr. Chairman, would the gentleman yield?

Mr. BLACKBURN. I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the gentleman from Louisiana has stated that this is another demagoguing amendment.

Mr. PASSMAN. If the gentleman would yield, I did not offer that statement.

Mr. ICHORD. Let me ask the gentleman from Louisiana a question.

Mr. PASSMAN. Proceed.

Mr. ICHORD. The gentleman from Louisiana has said that we should extend Russia credit. But does the gentleman from Louisiana not recognize the fact that by doing so they are able to devote so much more of their gross national product into the production of military hardware? That defies commonsense, I say to the gentleman from Louisiana.

Mr. PASSMAN. If the gentleman will yield further, I might say to the gentleman from Missouri that I do not regard that as not being commonsense. In other words, if you are going to sell products and commodities and want to make a profit out of them—and I came out of the free enterprise segment of the country—you should do so. I would say to the gentleman that I would just as soon sell my products and make a profit to a saloon keeper, or to a bootlegger, as I would to the preacher of my church. Whether a saint or a sinner should not make any difference.

Mr. BLACKBURN. Mr. Chairman, I can truly say that if my only concern was about the difference between a bootlegger and the preacher in my church, I would not have any concern. But the fact is that we are dealing with a nation that wants to rule the whole world, and yet we are going to go ahead and sell them our products such as the miniature ballbearing machines that can only be made in this country, and 90 percent of the production made from those machines goes into defense. I just seriously wonder how we can possibly sell them goods of that sort.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I do not intend to take the full 5 minutes, and I do not intend to make a speech. I only want to ask the sponsor of the amendment a couple of questions.

Can the gentleman from Missouri list for me the countries by name that this amendment would cover?

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, the amendment would cover exactly the same countries as covered by the Vanik amendment, because the amendment is offered in the identical language.

Specifically, it would cover, I would say to the gentleman from Florida, all of those countries which do not presently have MFN status and who do not have preferential tariff treatment under column 1 on the date of the enactment of this act.

Mr. GIBBONS. Can the gentleman give me the names of the countries?

Mr. ICHORD. Specifically, it would cover the Soviet Union.

Mr. GIBBONS. We know it covers Russia; yes.

Mr. ICHORD. Specifically, it would cover Communist China. It would not

cover Romania, because I believe that Romania does have MFN.

Mr. GIBBONS. Romania does not have any MFN. How about Hungary? How about Yugoslavia? How about Czechoslovakia? How about all of the Socialist countries? How about East Germany?

Mr. ICHORD. It would cover East Germany because it does not now have MFN status. All of those nations who do not have MFN status presently would be covered.

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

Mr. GIBBONS. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, would it not be much better to try to resolve this in the regular legislation?

Mr. ICHORD. It is practically the same as the Vanik amendment.

Mr. PASSMAN. The gentleman could not say what countries. This is an involvement we might regret. Could we not vote this amendment down and proceed on the normal basis, go before the legislative committee, let the gentlemen clear it up, get the understanding of it, and make the corrections there?

Mr. GIBBONS. Before I yield back the balance of my time, this is different than the Vanik amendment. The Vanik amendment was conditioned upon non-discriminatory emigration treatment, and this goes further than that, I believe.

Mr. ICHORD. Will the gentleman yield on that point?

Mr. GIBBONS. Yes; I will yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

It is true that the Vanik amendment was conditioned upon the Soviet Union improving or changing its emigration policies and the persecution of its intellectuals.

Mr. GIBBONS. Yes, sir, that is right.

Mr. ICHORD. But the language defining what countries it applies to is exactly identical with the Vanik amendment.

Mr. GIBBONS. No; the Vanik amendment left it in the hands of the President to make that determination, and this one does not, as I see it. I do not know what countries this covers. Frankly, I have tried to study this question, but Mr. Chairman, I am not going to vote for this bill anyway. I am afraid this is a dangerous amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri, Mr. ICHORD.

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

#### RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 134, noes 266, not voting 32, as follows:

[Roll No. 652]

AYES—134

Archer	Bauman	Blackburn
Ashbrook	Beard	Brasco
Bafalis	Bennett	Bray
Baker	Biaggi	Breckinridge

Brinkley	Don H.	Price, Tex.
Broyhill, Va.	Clawson, Del.	Quillen
Burgener	Cochran	Randall
Burke, Fla.	Collins, Tex.	Rarick
Burleson, Tex.	Conlan	Regula
Butler	Crane	Rinaldo
Byron	Daniel, Dan	Robinson, Va.
Camp	Daniel, Robert	Rogers
Carney, Ohio	W. Jr.	Roncallo, N.Y.
Casoy, Tex.	Davis, Ga.	Rousselot
Clancy	Davis, S.C.	Runnels
Clark	Denholm	Ruth
Clausen	Dent	Satterfield
Clayton	Derwinski	Scherle
Clayton	Devine	Shipley
Clayton	Duncan	Shuster
Clayton	Ellberg	Slack
Clayton	Evins, Tenn.	Smith, N.Y.
Clayton	Flowers	Snyder
Clayton	Flynt	Spence
Clayton	Frey	Steelman
Clayton	Froehlich	Steiger, Ariz.
Clayton	Fuqua	Stephens
Clayton	Gaydos	Stubblefield
Clayton	Gettys	Stuckey
Clayton	Gilman	Symms
Clayton	Ginn	Taylor, Mo.
Clayton	Goodling	Teague, Tex.
Clayton	Haley	Towell, Nev.
Clayton		Treen
Clayton		Vanik
Clayton		Wampler
Clayton		White
Clayton		Whitehurst
Clayton		Whitten
Clayton		Wolff
Clayton		Wyman
Clayton		Young, Alaska
Clayton		Young, Fla.
Clayton		Zion

#### NOES—266

Abzug	Davis, Wis.	Hicks
Adams	de la Garza	Hillis
Addabbo	Delaney	Holifield
Alexander	Dellenback	Holtzman
Anderson	Dellums	Horton
Calif.	Dennis	Hosmer
Anderson, Ill.	Dickinson	Howard
Andrews, N.C.	Diggs	Jarman
Andrews	Dingell	Johnson, Calif.
N. Dak.	Donohue	Johnson, Colo.
Annunzio	Dorn	Johnson, Pa.
Arends	Downing	Jones, Ala.
Armstrong	Drinan	Jones, N.C.
Ashley	Dulski	Jordan
Aspin	du Pont	Karth
Badillo	Eckhardt	Kastenmeier
Barrett	Edwards, Ala.	Kazen
Bell	Edwards, Calif.	Kluczyński
Bergland	Esch	Koch
Bevill	Eshleman	Kyros
Biester	Evans, Colo.	Landrum
Bingham	Fascell	Latta
Blatnik	Findley	Leggett
Boggs	Flood	Lehman
Boland	Foley	Litton
Bolling	Ford	McClary
Bowen	William D.	McCloskey
Brademas	Forsythe	McCollister
Breaux	Fountain	McCormack
Brooks	Fraser	McDade
Broomfield	Frelinghuysen	McEwen
Brotzman	Frenzel	McFall
Brown, Calif.	Fulton	McKay
Brown, Mich.	Gialmo	Madden
Brown, Ohio	Gibbons	Madigan
Broyhill, N.C.	Gonzalez	Mahon
Buchanan	Grasso	Mailliard
Burke, Mass.	Gray	Mallory
Burlison, Mo.	Green, Oreg.	Mann
Burton	Green, Pa.	Martin, Nebr.
Carter	Griffiths	Mathias, Calif.
Cederberg	Gross	Matsunaga
Chamberlain	Grover	Mayne
Chappell	Gude	Mazzoli
Chisholm	Gunter	Meeds
Clay	Guyer	Melcher
Cleveland	Hamilton	Metcalfe
Cohen	Hammer	Mezvinsky
Collins, Ill.	schmidt	Michel
Conable	Hanley	Minish
Conte	Hanna	Mink
Conyers	Hansen, Idaho	Mitchell, N.Y.
Corman	Hansen, Wash.	Moakley
Cotter	Harrington	Mollohan
Coughlin	Hastings	Moorhead, Pa.
Cronin	Hawkins	Morgan
Culver	Hays	Moss
Daniels	Heinz	Murphy, Ill.
Dominick V.	Helstoski	Murphy, N.Y.
Danielson	Henderson	Myers



Nedzi  
Nelsen  
Nix  
Obey  
O'Brien  
O'Hara  
O'Neill  
Owens  
Passman  
Patman  
Patten  
Pepper  
Perkins  
Pettis  
Pickle  
Podell  
Preyer  
Price, Ill.  
Pritchard  
Quile  
Rallsback  
Rangel  
Rees  
Reid  
Reuss  
Rhodes  
Riegle  
Roberts  
Robison, N.Y.  
Rodino  
Roe  
Rooney, Pa.

Rose  
Rosenthal  
Rostenkowski  
Roush  
Roy  
Roybal  
Ruppe  
St Germain  
Sandman  
Sarasin  
Sarbanes  
Schneebeli  
Schroeder  
Sebellus  
Seiberling  
Shriver  
Sisk  
Skubitz  
Smith, Iowa  
Staggers  
Stanton,  
J. William  
Stanton,  
James V.  
Stark  
Steed  
Steele  
Steiger, Wis.  
Stratton  
Studds  
Symington  
Talcott

Taylor, N.C.  
Teague, Calif.  
Thompson, N.J.  
Thomson, Wis.  
Thone  
Thornton  
Tiernan  
Udall  
Ullman  
Van Deerlin  
Vander Jagt  
Vigorito  
Waggonner  
Waldie  
Ware  
Widnall  
Williams  
Wilson,  
Charles H.,  
Calif.  
Wilson,  
Charles, Tex.  
Wylder  
Wyllie  
Yates  
Yatron  
Young, Ga.  
Young, Ill.  
Young, S.C.  
Young, Tex.  
Zablocki  
Zwach

## NOT VOTING—32

Abdnor  
Burke, Calif.  
Carey, N.Y.  
Collier  
Erlenborn  
Fish  
Fisher  
Goldwater  
Gubser  
Harvey  
Hébert

Hunt  
Keating  
King  
Mills, Ark.  
Minshall, Ohio  
Mitchell, Md.  
Mosher  
Roncallo, Wyo.  
Rooney, N.Y.  
Shoup  
Sikes

Stokes  
Sullivan  
Veysey  
Walsh  
Whalen  
Wiggins  
Wilson, Bob  
Winn  
Wright  
Wyatt

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. PASSMAN. 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. PRICE of Illinois, 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. 11771) making appropriations for foreign assistance and related programs 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. PASSMAN. 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.

MOTION TO RECOMMIT OFFERED BY  
MR. MILLER

Mr. MILLER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER moves to recommit the bill H.R. 11771, to the Committee on Appropriations.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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

Mr. 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 219, nays 180, not voting 33, as follows:

[Roll No. 653]

YEAS—219

Abzug  
Addabbo  
Anderson, Ill.  
Andrews, N.C.  
Annunzio  
Arendt  
Armstrong  
Ashley  
Badillo  
Barrett  
Bell  
Bergland  
Biaggi  
Biester  
Bingham  
Blatnik  
Boggs  
Boland  
Bolling  
Brademas  
Brasco  
Breaux  
Breckinridge  
Brooks  
Broomfield  
Brotzman  
Brown, Calif.  
Brown, Mich.  
Buchanan  
Burke, Mass.  
Burton  
Carney, Ohio  
Cederberg  
Chamberlain  
Chappell  
Chisholm  
Clay  
Cohen  
Collins, Ill.  
Conable  
Conte  
Corman  
Cotter  
Coughlin  
Cronin  
Culver  
Daniels,  
Dominick V.  
Danielson  
Davis, Wis.  
Delaney  
Dent  
Derwinski  
Diggs  
Donohue  
Drinan  
du Pont  
Edwards, Calif.  
Ellberg  
Esch  
Evans, Colo.  
Fascell  
Findley  
Flood  
Foley  
Forsythe  
Fraser  
Frelinghuysen  
Frenzel  
Gialmo  
Gilman  
Gonzalez  
Grasso  
Gray  
Green, Ore.

Green, Pa.  
Griffiths  
Grover  
Gude  
Gunter  
Guyer  
Hamilton  
Hanley  
Hansen, Idaho  
Hansen, Wash.  
Harrington  
Hawkins  
Hays  
Heckler, Mass.  
Heinz  
Helstoski  
Hogan  
Holifield  
Holtzman  
Horton  
Hosmer  
Howard  
Johnson, Pa.  
Jones, Ala.  
Jordan  
Karth  
Kemp  
Kluczynski  
Koch  
Kuykendall  
Leggett  
Lehman  
Lent  
Long, La.  
Long, Md.  
McClory  
McCloskey  
McCollister  
McDade  
McEwen  
McFall  
McKay  
McKinney  
Macdonald  
Madden  
Madigan  
Mahon  
Mallard  
Mallory  
Mann  
Mathias, Calif.  
Matsunaga  
Mayne  
Meeds  
Metcalfe  
Mezvisky  
Minish  
Mitchell, N.Y.  
Moakley  
Mollohan  
Moorhead, Pa.  
Morgan  
Murphy, Ill.  
Murphy, N.Y.  
Natcher  
Nelsen  
Nix  
O'Brien  
O'Hara  
O'Neill  
Passman  
Patten  
Pepper  
Peyser  
Pickle

Poage  
Podell  
Preyer  
Price, Ill.  
Pritchard  
Quile  
Rallsback  
Rangel  
Rees  
Regula  
Reid  
Rhodes  
Riegle  
Rinaldo  
Roberts  
Robison, N.Y.  
Rodino  
Roe  
Roncallo, N.Y.  
Rooney, Pa.  
Rose  
Rosenthal  
Rostenkowski  
Roybal  
Ruppe  
Sandman  
Sarasin  
Sarbanes  
Schroeder  
Seiberling  
Shriver  
Sisk  
Slack  
Smith, Iowa  
Smith, N.Y.  
Stanton,  
J. William  
Stanton,  
James V.  
Stark  
Steele  
Steelman  
Steiger, Wis.  
Stratton  
Stubblefield  
Studds  
Symington  
Teague, Calif.  
Thompson, N.J.  
Thomson, Wis.  
Towell, Nev.  
Ullman  
Van Deerlin  
Vander Jagt  
Vanik  
Vigorito  
Ware  
Widnall  
Williams  
Wilson, Bob  
Wilson,  
Charles H.,  
Calif.  
Wilson,  
Charles, Tex.  
Winn  
Wolf  
Wylder  
Wyman  
Yates  
Yatron  
Young, Ga.  
Young, Ill.  
Young, Tex.  
Zablocki

NAYS—180

Adams  
Alexander  
Anderson,  
Calif.  
Andrews,  
N. Dak.  
Archer  
Ashbrook  
Aspin  
Bafalis

Baker  
Bauman  
Beard  
Bennett  
Bevill  
Blackburn  
Bowen  
Bray  
Brinkley  
Brown, Ohio

Broyhill, N.C.  
Broyhill, Va.  
Burgener  
Burke, Fla.  
Burlison, Tex.  
Burlison, Mo.  
Butler  
Byron  
Camp  
Carter

Casey, Tex.  
Clancy  
Clausen,  
Don H.  
Clawson, Del.  
Cleveland  
Cochran  
Collins, Tex.  
Conlan  
Conyers  
Crane  
Daniel, Dan  
Daniel, Robert  
W., Jr.  
Davis, Ga.  
Davis, S.C.  
de la Garza  
Dellenback  
Dellums  
Denholm  
Dennis  
Devine  
Dickinson  
Dingell  
Dorn  
Downing  
Dulski  
Duncan  
Eckhardt  
Edwards, Ala.  
Eshleman  
Evins, Tenn.  
Flowers  
Flynt  
Ford,  
William D.  
Fountain  
Frey  
Froehlich  
Fulton  
Fuqua  
Gaydos  
Gettys  
Gibbons  
Ginn  
Goodling  
Gross  
Haley  
Hammer-  
schmidt  
Hanrahan  
Harsha  
Hastings

Hechler, W. Va.  
Henderson  
Hicks  
Hillis  
Hinshaw  
Holt  
Huber  
Hudnut  
Hungate  
Hutchinson  
Ichord  
Jarman  
Johnson, Calif.  
Johnson, Colo.  
Jones, N.C.  
Jones, Okla.  
Jones, Tenn.  
Kastenmeier  
Kazen  
Ketchum  
Kyros  
Landgrebe  
Landrum  
Latta  
Littton  
Lott  
Lujan  
McCormack  
McSpadden  
Maraziti  
Martin, Nebr.  
Martin, N.C.  
Mathis, Ga.  
Mazzoli  
Melcher  
Milford  
Miller  
Mink  
Mizell  
Montgomery  
Moorhead,  
Calif.  
Moss  
Myers  
Nedzi  
Nichols  
Obey  
Owens  
Parris  
Patman  
Perkins  
Pettis  
Pike

Powell, Ohio  
Price, Tex.  
Quillen  
Randall  
Rarick  
Reuss  
Robinson, Va.  
Roberts  
Roush  
Rousselot  
Roy  
Runnels  
Ruth  
Ryan  
St Germain  
Satterfield  
Scherle  
Schneebeli  
Sebelius  
Shipley  
Shuster  
Skubitz  
Snyder  
Spence  
Staggers  
Steed  
Steiger, Ariz.  
Stephens  
Stuckey  
Symms  
Talcott  
Taylor, Mo.  
Taylor, N.C.  
Teague, Tex.  
Thone  
Thornton  
Treen  
Udall  
Waggonner  
Waldie  
Wampler  
White  
Whitehurst  
Whitten  
Wyllie  
Young, Alaska  
Young, Fla.  
Young, S.C.  
Zion  
Zwach

## NOT VOTING—33

Abdnor  
Burke, Calif.  
Carey, N.Y.  
Clark  
Collier  
Erlenborn  
Fish  
Fisher  
Goldwater  
Gubser  
Hanna

Harvey  
Hébert  
Hunt  
Keating  
King  
Michel  
Mills, Ark.  
Minshall, Ohio  
Mitchell, Md.  
Mosher  
Roncallo, Wyo.

Rooney, N.Y.  
Shoup  
Sikes  
Stokes  
Sullivan  
Veysey  
Walsh  
Whalen  
Wiggins  
Wright  
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Harvey.  
Mr. Rooney of New York with Mr. Keating.  
Mr. Sikes with Mr. King.  
Mr. Mitchell of Maryland with Mr. Roncallo of Wyoming.  
Mr. Clark with Mr. Abdnor.  
Mr. Carey of New York with Mrs. Burke of California.  
Mr. Fisher with Mr. Collier.  
Mr. Hanna with Mr. Walsh.  
Mr. Mills of Arkansas with Mr. Wiggins.  
Mr. Wright with Mr. Mosher.  
Mr. Stokes with Mrs. Sullivan.  
Mr. Hunt with Mr. Michel.  
Mr. Fish with Mr. Goldwater.  
Mr. Whalen with Mr. Shoup.  
Mr. Erlenborn with Mr. Gubser.  
Mr. Minshall of Ohio with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

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

bill just passed, and I also ask unanimous consent that in revising my remarks I may be allowed to include certain extraneous tabular matter.

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

There was no objection.

#### FOR SALE CHEAP: ONE ABM SITE, NEVER USED

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

Mr. LEGGETT. Mr. Speaker, I have recently received a notice from the Army that the proposed Safeguard ABM base at Malmstrom, Mont., which we were once told was essential to national security, will be turned over to GSA for disposal as excess real estate. Thus an inglorious program comes to a fittingly inglorious end.

We have spent a total of \$8 billion on antiballistic missile systems. Consider what we have bought with it:

First, we have bought the knowledge that ABM systems are hopelessly ineffective and cost-ineffective—with the possible exception of a dedicated hard-point defense such as the site defense of Minuteman system, which is merely unnecessary. But this was evident before we started.

Second, we gained an ABM Treaty with the Soviet Union, banning all ABM systems of any consequence. Thus, we prevented the Soviets from deploying a modern ABM. But since no Soviet ABM could hope to counter our nuclear deterrent, we have not improved our military position. We have merely saved the Soviets some money.

Third, by the ABM Treaty we saved ourselves from building a 12-site ABM. Since there was no military justification for building it in the first place, this is not much of an accomplishment.

Fourth, by stopping the Soviet ABM, the treaty removed the principal rationale for our own MIRV program. But we have gone ahead with MIRV anyway.

So we have spent \$8 billion to learn what we already knew and to help balance the Soviet budget.

Now we are preparing to spend another \$2 billion over the next 10 years to complete and operate the single site at Grand Forks, N. Dak. We will do this despite the ineffectiveness of such a limited system which is recognized even by such traditional ABM supporters as Senator Jackson. We will do it simply because we are permitted to do so by the ABM Treaty, and because the administration apparently operates on the principle that no opportunity for military spending should go neglected.

The Malmstrom site consists of 641 acres in the middle of nowhere, bearing \$64 million worth of improvements including 100,000 square feet of underground office space. My guess is that a bid of \$19.98 would probably take it. Perhaps some public-spirited soul will pick up the property and develop it into a titanium-plated museum of Government folly.

For those inclined to black humor, I

include the Army notice at the conclusion of my remarks.

Rest in peace, ABM. You will live on in history as one of the champion taxpayer-fleecers of all time.

The report follows:

REAL ESTATE DISPOSAL REPORT No. 473  
Submitted pursuant to Title 10, United States Code, Section 2662.  
Name of Installation: Safeguard ABM System, near Malmstrom Air Force Base, Montana.  
Using Command: United States Army Air Defense Command.  
Interest: Fee and Easement.  
Area: Fee—641 Acres; Easement—869 Acres.  
Original Cost:  
Fee ----- \$198,369  
Easement ----- 115,548  
Improvements ----- 63,700,000  
Total ----- 64,013,917

Acquisition Date: 1969.

Proposed Action: Report to General Services Administration as excess real property. Authority: Federal Property and Administrative Services Act of 1949 (63 Stat. 377).

1. The Department of the Army proposes to report the SAFEGUARD Anti-Ballistic Missile System (ABM), Montana, to the General Services Administration (GSA) as excess real property.

2. The Montana SAFEGUARD ABM System is located in the north central part of the state near Malmstrom Air Force Base. The Montana SAFEGUARD is part of the "SAFEGUARD Ballistic Missile Defense System" the development of which began in March 1969 as successor to the nation's "Sentinel System". The SAFEGUARD System was planned for the defense of our retaliatory missile force against an accidental or intentional attack by hostile intercontinental missiles. The SAFEGUARD System differs from the "Sentinel System" in that it is not intended as an area defense for specific cities and it does not call for a fixed deployment schedule. The SAFEGUARD System was to consist of twelve sites to be phased in as defense requirements dictated. Construction of two SAFEGUARD complexes near Malmstrom Air Force Base, Montana, and near Grand Forks Air Force Base, North Dakota, was authorized by Congress in 1969. Construction at both complexes started in 1970 but was halted at the Montana SAFEGUARD complex in May of 1972 as a result of the Treaty between the United States and Russia on the Limitation of Anti-Ballistic Missile Systems. Under the Treaty the United States could only maintain one SAFEGUARD ABM site outside the Washington, D.C. area. The Grand Forks site was selected because of advanced construction and it was determined that the real property at the Montana SAFEGUARD complex was excess to Army requirements.

3. The Montana Safeguard is a complex of six separate sites plus a supporting water supply pipeline. A total of 641 acres of fee land and 869 acres of easements located in Pondera and Toole Counties, Montana were acquired (Army Acquisition Report No. 168) for the complex. At the time construction was halted on the Montana Safeguard over \$53,700,000 had been spent on the improvements and some \$10,000,000 on equipment for the facility. The status of construction is as follows:

a. Construction has been completed on the twenty-seven miles of waterline with booster stations and appurtenances to transport water from the Tiber Reservoir to the Perimeter Acquisition Radar (PAR), Remote Launch Site (RLS) No. 3 and Missile Site Radar (MSR) sites.

b. The PAR site is about 13% complete with the pouring of concrete for both the radar facility and 4,600 square feet of office space.

c. The MSR site is about 11% complete. The improvements consist of 21,400 square feet of office space and a below grade concrete radar facility and other buildings containing 100,000 square feet of space.

d. The RLS sites Nos. 1, 2, 3 and 4 are unimproved except for some minor grading and installation of test water wells at RLS Nos. 1, 2 and 4.

4. Since the Safeguard Montana property is also excess to the needs of the Department of Defense and the Coast Guard, it is proposed to report the fee-owned land to GSA for disposition. The Tiber Reservoir waterline along with the necessary easements to preserve the operational integrity of the pipeline will also be reported to GSA for disposition as an operating unit and the report of excess will note the interest of the Montana Water Development Association in acquiring this facility. The disposal report will be subject to possible Department of the Air Force use of the office and warehouse buildings at the MSR site for a period of eighteen months. Disposal of the remaining easement lands will be by the Army Corps of Engineers by negotiation with the owners of the servient estates. Any other real estate interests that have been acquired excluding fee interests will also be disposed of by negotiation with former owners of those interests. No acquisition of similar property in the vicinity is contemplated by the Department of the Army.

5. This action has been approved by the Assistant Secretary of Defense (Installations and Logistics).

#### ED ZUCKERMAN REVEALS ISSUES SURROUNDING THE FEDERAL RESERVE AUDIT BILL

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

Mr. PATMAN. Mr. Speaker, the question of whether the Federal Reserve System should be subject to an audit by the General Accounting Office continues to evoke a great deal of comment in the news media across the land.

Ed Zuckerman, of Ridder Publications, has written a series for a number of newspapers in different parts of the Nation. Mr. Zuckerman's series is an excellent exposition of some of the major issues involved in the effort to require a full-scale independent audit of the Federal Reserve.

As I indicated last week, it is my intention to continue to keep the Members of the House informed on the audit bill and the various editorial comments which appear on this subject. It is not my intention to endorse all of the conclusions and comments which might appear under any byline, but to keep the Members abreast of the developments on a very important issue.

Mr. Speaker, it is still my hope that the House will be given an opportunity to vote on this legislation before the Congress adjourns.

Mr. Speaker, I place in the RECORD articles by Ed Zuckerman from the Gary, Ind. Post Tribune and the Wichita, Kans. Eagle:

[From the Gary (Ind.) Post Tribune, Dec. 1, 1973]

"INDEPENDENT" FED FOURTH BRANCH OF UNITED STATES  
(By Ed Zuckerman)

WASHINGTON.—In the six decades since its creation as the nation's central bank, the



Federal Reserve System has become a fiercely independent agency that has withstood attempts by Congress and the White House to curb the limitless power it exercises over the economy.

Sustained by funds that are neither budgeted by the White House nor appropriated by Congress, the granite and marble fortress on Constitution Avenue has literally become the headquarters of a fourth branch of government.

Ruled by a seven-member board whose presidentially-appointed members serve 14-year terms, the system lives on the \$4 billion interest it earns on a \$76 billion bond portfolio acquired on the credit generated by the economy which it regulates.

What it doesn't spend from its self-perpetuating source of income—about \$3.2 billion last year—is returned to its true owners, the U.S. taxpayers, by way of transfer to the general fund of the U.S. Treasury.

Easily aroused by the efforts to diminish its authority, the Federal Reserve System has blocked previous proposals to make it accountable for its internal spending and for its secret decisions which set the pulse rate for the national economy.

"The one protection that the Fed has is its complexity," explain Joseph Lewis of the House Banking Committee staff. "When the little guy can't get a loan because of high interest or tight money, he doesn't know it's the Fed's fault."

Lewis' comments echo the view of his boss, the Fed's most formidable foe in Congress—House Banking Committee Chairman Wright Patman.

The 80-year-old Texas Democrat, a frequent and outspoken critic of the alliance between bankers and the Fed during more than four decades in Congress, has come closer this year than ever before to winning his battle to invade the banking industry's most sacred temple.

At stake in the fight is whether the Fed, like every other agency of government, will be subjected to periodic audits by the General Accounting Office (GAO).

In early October, Patman secured his committee's approval of legislation to subject the Fed to GAO audits. But the House Rules Committee voted 9-5 on Nov. 6 to postpone indefinitely a vote to forward the bill to the floor.

Patman blames Arthur Burns, chairman of the Fed's board of governors, for influencing the rules committee action. In numerous speeches, Patman has accused Burns of personally lobbying against the bill in concert with the American Bankers Association (ABA) which represents nearly all of the nation's 13,000 commercial banks.

Burns has denied the accusations. But ABA President Eugene H. Adams has admitted he was contacted by Fed officials about the GAO audit bill only days after Patman's committee approved the proposal.

Rep. Ray J. Madden, D-Gary, who became chairman of the House Rules Committee this year and was among the five Democrats who supported the audit plan, acknowledged that there was heavy lobbying against the bill. Those who voted for the bill, Madden said, "were the only ones who resisted the arm twisting of the financial monarchs of this country."

Madden, promising another vote by his committee in December, added that he threw several hundred telegrams from bankers into his waste paper basket in the days preceding the postponement action.

Patman, who was born in the bank panic year of 1893 and was elected to Congress just before the stock market crash of 1929, was as polite as his old-style populism would permit when he appeared before the rules committee on Oct. 24 to argue for his bill—until he mentioned Burns' lobbying.

His accusations attracted a response from Rep. Delbert Latta, R-Ohio,

"I would like to say for the record that Dr. Burns missed me, he did not lobby me on this bill," Latta protested. "I talked to my friend on my left from California (Rep. Del Clawson, a Republican) and he didn't lobby him. I talked to my friend on the right Rep. James Quillen, R-Tenn., and he didn't lobby him. I wonder why he missed us?"

One possible answer to Latta's question might be the financial disclosures all House members make each year. Those reports show that Clawson and Quillen—and two other members of the rules committee—have financial interests in banks:

—Clawson is a stockholder in the Capital National Bank of Compton, Calif. He joined the rules committee last January after giving up a seat on the banking committee.

—Quillen is a director of the First National Corp. of Kingsport, Tenn.

—Rep. Claude Pepper, D-Fla., who came to the rules committee several years ago from the banking committee, is senior vice president of Washington Federal Savings and Loan Association of Miami Beach. He also owns stock in several Florida banks.

—Rep. Clem McSpadden, D-Okla., a freshman hand picked for the rules committee by House Speaker Carl Albert, is a director of the First National Bank of Claremore, Tenn.

Despite their partisan differences, the two Democrats and two Republicans with financial ties to banking were united on the GAO audit bill, supplying the four-vote margin by which the bill was postponed.

Joining them in voting for the delay were Reps. James Delaney, D-N.Y.; Richard Bolling, D-Mo.; Dave Martin, R-Neb.; John Anderson, R-Ill.; and Latta.

Supporting the legislation with Madden were Reps. B. F. Sisk, D-Calif.; John Young, D-Tex.; Spark Matsunaga, D-Hawaii; and Gillis Long, D-La. Rep. Morgan Murphy, D-Ill., was absent.

After Patman's testimony, Martin, the panel's senior Republican member, came close to admitting he was lobbied by Burns while discussing the legislation with Rep. Thomas Ashley, D-Ohio.

Ashley, a member of the banking committee who opposes the GAO audit and also one of 107 House Members disclosing an interest in banking this year, sought the rules committee's approval to ask the House to amend Patman's bill.

In promoting his amendment that would sharply limit the audit, Ashley mentioned he was supported in his effort by Burns.

"I did not get that interpretation when I talked with Arthur Burns last week," said Martin.

[From the Wichita (Kans.) Eagle, Nov. 30, 1973]

FED COMES UNDER ATTACK FOR ALLIANCE WITH BANKS

(By Ed Zuckerman)

WASHINGTON.—House Banking Committee Chairman Wright Patman has reason to believe the Federal Reserve System has spent great sums of public money to maintain an alliance with the banking industry which the government agency regulates.

The alliance, he says, is maintained by Fed-bought memberships in various banking associations which are used by federal employees.

Furthermore, the Texas Democrat fears that the federal reserve system has spent money to lobby against legislation which would submit the system to a General Accounting Office (GAO) audit which could potentially prove his belief and fears are correct.

Patman's bill is presently stalled in the House Rules Committee which voted 9-5 on Nov. 6 to delay indefinitely its consideration of the GAO audit bill. The margin for delay was provided by four rules panel members

who have disclosed personal financial interests in banks.

Patman has accused Dr. Arthur Burns, chairman of the Federal Reserve Board, of waging a costly lobbying campaign in concert with the American Bankers Association (ABA). Burns has denied the charge. But one member of the rules committee, Rep. David Martin, R-Neb., has admitted talking with Burns a week before he voted to postpone consideration of the legislation.

Patman, in an angry written response to Burns, summed up the frustration which the rules panel vote has produced.

The lack of a GAO audit, he wrote, makes it "impossible for the Congress to determine how much money and manpower have been expended in this lobbying effort . . . so long as your agency remains unaudited, and so long as it remains outside of any type of effective review, you will be in a position to spend public monies and to lobby for and against any legislation."

Patman's Bill would permit GAO auditors to examine all phases of the Federal Reserve system.

While Burns argues that nothing would be accomplished by a "Monday morning quarterback" type of audit, Patman counters that analysis would help Congress better understand how the system meets its economy-regulating obligations. Among its various functions, the agency sets interest rates which banks may charge borrowers. Interest rate hikes, many congressional members say, have the effect of pouring fuel on the inflationary fire.

A GAO audit would also be of the "paper clips and pencil counting" variety—a time-consuming task of examining thousands of expense vouchers and seeking justification for those which appear unusual.

Patman has already given his congressional colleagues an idea what a GAO audit might produce. Last year, he ordered his chief staff investigator, Curtis Prins, to examine the Federal Reserve System's spending logs.

Prins found that the system paid nearly \$130,000 to buy organizational memberships for its employees—about \$80,000 went for memberships in banking associations.

The rest of the money was paid to groups with no apparent link to banking—such as the Minnesota State Association of Industrial Nurses, the Colorado Society for Personnel Administration, the Michigan Restaurant Association, the Real Estate Research Council of Northern California, the Rocky Mountain College Placement Association and the Kansas City Press Club.

"A review of the (Fed's) expenses in the social, recreational and athletic categories appears to paint the system with virtually a country club atmosphere," Prins wrote in a staff report which gave the first public glimpse at how the system spends money on itself.

Prins spent weeks combing through thousands of pages of expense vouchers which were reluctantly delivered to the House Banking Committee.

"It was just a raw pile of stuff, not collated in any way," commented Patman's key staff aide, Joseph Lewis.

"Unlike the rest of the bureaucracy which has a tendency to compartmentalize and categorize, the Fed responded to our request in a way that seemed designed to obstruct rather than instruct."

"It gave us a very limited look . . . we won't know what lies behind the surface without an audit which would force the Fed to justify the reasons for each expense," Lewis said.

Prins, a seasoned investigator who recently uncovered evidence of Nixon administration influence in picking recipients for small business administration loans, found numerous examples of spending which should be further examined:

The Chicago Federal Reserve bank spent \$4,600 for theater tickets for the women employees' annual outing and \$3,256 for supplies and food for the employees' annual card party.

The San Francisco bank spent \$4,400 for a Christmas dinner party; \$300 for baseball game tickets and \$900 for a spring dance.

The Salt Lake City bank spent \$145 for bowling shirts and \$2,047 for various unspecified social events.

The Portland bank spent \$250 for beach cabin rentals and \$139 for flash bulbs used at a women employees' banquet.

The Dallas bank bought 1,152 ping pong balls for its 895 employees for \$155.

The New York bank spent \$21,168 for maintaining its bowling alleys, \$589 for a golf tournament, \$7,236 for a painting of the President, \$2,897 for a children's party and \$8,428 for a Christmas luncheon.

The Minneapolis bank paid a \$100 registration fee for attendance at the International design Conference in Aspen, Colo. and \$72 to rent formal attire for the graduation dinner of the American Institute of Banking school.

Another disclosure unearthed by Prins was the thrift plan which the Federal Reserve System makes available to all of its employees.

Of the system's 20,000 employees, 17,700 of them are enrolled in the plan.

For each employee who contributes \$3,000 to the plan, the Federal Reserve System adds \$750. The plan, a mutual fund, guarantees each participant a minimum return of 8 per cent.

By last August, after about 3½ years of the thrift plan's existence, the Fed contributed \$6,822,000.

"We tried to show in the study just how far outside the normal operations of government the Fed has wandered," Lewis said. "These are benefits which employees in other government agencies don't have. It would be flatly illegal for other government agencies to provide them."

"The Fed claims these things are needed to attract employees and some of these types of benefits are available in private industry. But the Fed is a government agency," he added.

Lewis added that even if it were proper for a government agency to operate a thrift fund for its employees, mutual fund management would still be an improper activity for the Federal Reserve System.

"The Fed has access to so much inside information on the stock market," he said.

[From the Wichita (Kans.) Eagle, Dec. 1, 1973]

#### HOW L. B. J. PRECIPITATED TIGHT MONEY— FED'S BIG BUSINESS DONE IN PRIVATE (By Ed Zuckerman)

WASHINGTON.—The key banking and monetary decisions which influence the national economy—such as setting the money supply level and the interest rates which banks may charge—are made by the federal open market committee an adjunct to the federal reserve system.

"It's all done behind closed doors," remarked House Banking Committee aide Joseph Lewis whose boss, Rep. Wright Patman, D-Tex., wants to open the doors to a General Accounting Office (GAO) audit which he feels would help Congress better estimate how well the Federal Reserve System is meeting its economy-regulating responsibilities.

Patman's legislation would allow GAO auditors to examine the inner sanctum proceedings of the open market committee as well as the ledgers of the Federal Reserve System which have never been subjected to outside scrutiny.

The bill is currently stalled in the House Rules Committee because, Patman claims, of

lobbying tactics by the Federal Reserve System and the American Bankers Association.

"The Fed doesn't want anything that would disturb their independence," Lewis said.

The open market committee is comprised of the seven governors of the Federal Reserve Board, the president of the New York Federal Reserve Bank plus four presidents from the 11 other reserve banks who serve on a rotating basis. The seven other bank presidents are permitted to attend the secret sessions held at least once a month in Washington.

Although conducted in private, it has been widely suspected that the secrets discussed by the committee are shared among the nation's leading banking officials. This is because the branch bank president is selected by the nine-member branch bank board of directors, many of whom are bankers themselves.

A branch bank president unwilling to share his inside information would not hold the job very long, Lewis suggested.

To dampen fears that a GAO analysis of the committee's internal deliberations would produce any political pressures against its actions, Patman's bill would not permit an examination for at least one year after a market decision is made.

One decision made by the open market committee in late 1965 would be ripe for immediate GAO attention should Patman's legislation win attention.

That decision, which increased discount and interest rates by one-half per cent, set off a chain reaction which saw the prime lending rate raised the day after the decision and, within six months, the nation was plunged into a severe tight-money situation.

Since the decision, lending rates have continued to soar to today's record high levels. Some economic experts feel the 1965 decision, made at the height of the Vietnam War, helped set the inflationary spiral into motion.

David Wise, writing in his book "The Politics of Lying," claims that the 1965 decision was produced by "a chain of events so bizarre as to rival the Marx Brothers at their best."

Wise, who said his accuracy has not been challenged by the Fed since his book was published, contends that President Johnson's dislike of Douglas Kiker, White House correspondent for the defunct New York Herald-Tribune and now an NBC news commentator, started the incident.

"The plot involved the president of the United States, the assistant White House press secretary, the nation's highest economic officials, reporters of two great newspapers and quite a few other people," Wise writes. "Before it was over, the stock market was shaken, the Federal Reserve Board had raised the discount rate and the nation appeared, at least briefly, to be in the grip of a serious economic crisis."

It began when Kiker did not go to the LBJ ranch when the President went home to recuperate from his gall bladder operation. The newspaper sent another reporter, Dick Dougherty, instead.

Johnson, after learning Kiker was absent, decided to leak a story to Dougherty hoping that his report would attract notice from Dougherty's editors in New York and, maybe, result in Kiker's removal from the White House beat.

Dougherty, who was Sen. George McGovern's presidential campaign manager and is now working for NBC in New York, was told by Johnson's press aide that the quadriad (the government's four top economic advisors) had been summoned to the Texas ranch.

Dougherty shared the information with Robert Semple, his rival from the New York Times.

But, on the same day, the Labor Depart-

ment announced a .2 per cent cost-of-living increase, bringing it to the highest level in history.

Both New York papers headlined the pending quadriad visit, in the face of new inflationary evidence, as evidence that Johnson was worried.

Despite Johnson administration assurances there was no cause for concern, the stories continued for the next few days.

"On Wall Street, bond prices fell sharply. Analysts attributed the drop to concern over rising interest rates, despite administration reassurances to the contrary," Wise reports.

Before Johnson's meeting with the quadriad could take place, the federal open market committee held a hastily-summoned session and increased bank interest rates to the highest point since 1930.

The repercussions, which started with the news leak to Dougherty, continued, Wise recounted in his book:

"Major banks across the country raised their prime rates. Savings and loan officials warned of higher interest rates on new mortgages; in Washington, the directors of the Federal Deposit Insurance Corp. met to consider whether to allow state banks to follow the Federal Reserve Board's lead."

"Across the border, the Bank of Canada raised its discount rate to match Washington's action. On Capitol Hill, Rep. Wright Patman, chairman of the Joint Economic Committee, announced a congressional investigation of the decision. Sen. Russell Long, D-La., also proposed an investigation."

#### POWERS AND DUTIES OF AND RESTRICTIONS UPON SPECIAL PROSECUTOR

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

Mr. DENNIS. Mr. Speaker, when the Special Prosecutor bill is considered, presumably later this week, I shall offer a substitute which, if adopted, will avoid constitutional problems, respecting the separation of powers by keeping appointment of the Prosecutor in the hands of the Attorney General, rather than giving this appointment to the courts, and which will, at the same time, give the Prosecutor statutory protection against arbitrary discharge.

I insert in the RECORD my substitute bill, H.R. 11555, and also the minority views of the Judiciary Committee.

I call attention also to an article by our colleague Mr. COHEN, of Maine, and to an editorial, both on the editorial page of this morning's Washington Post.

The bill and minority views follow:

H.R. 11555

A bill to define the powers and duties and to place restrictions upon the grounds for removal of the Special Prosecutor appointed by the Acting Attorney General of the United States on November 5, 1973, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Special Prosecutor heretofore appointed by the Acting Attorney General of the United States on the 5th day of November 1973, as successor to the former Special Prosecutor who assumed office on May 24, 1973, shall be and is hereby made subject to removal only by the Attorney General (or, if there be none, by the Acting Attorney General) for gross impropriety, gross misconduct, gross dereliction of duty, or for physical inability



to discharge the powers and duties of his office, but for no other cause, or by the Congress pursuant to article II, section 4, of the Constitution. The Attorney General shall give thirty days' notice in writing to the Congress of his intention to remove the Special Prosecutor, setting forth in detail the reasons for such removal. Upon the giving of such notice the Attorney General may suspend the Special Prosecutor and his removal shall be effective thirty days thereafter.

Sec. 2. Anything in the statutes touching the powers and authority of the Attorney General to the contrary notwithstanding, said Special Prosecutor shall be, and he hereby is charged with the duty and clothed with the full and complete authority to investigate, to prepare, to conduct, and to prosecute any criminal offense arising out of or connected with the unauthorized entry into Democratic National Committee headquarters at the Watergate in 1972, arising out of or connected with the Presidential election of 1972, allegations of offenses involving the President, members of the White House staff, or Presidential appointees, except allegations of offenses the Special Prosecutor waives to the jurisdiction of the Department of Justice by letter to the Attorney General setting forth his reasons for such waiver, any and all other matters heretofore referred—pursuant to regulations of the Attorney General—to the former Special Prosecutor who assumed office on May 24, 1973, and such new matters which the Special Prosecutor consents to have assigned to him by the Attorney General of the United States.

Sec. 3. Said Special Prosecutor shall be compensated at the rate provided for level II of the Executive Schedule under section 5313 of title 5, United States Code, and he may appoint and fix the salaries (at not to exceed the rate of \$36,000 per annum) of such staff and may employ such part-time experts and consultants (at rates not to exceed the per diem equivalent of the rate for GS-18 of the General Schedule established by section 5332 of title 5, United States Code) as he deems necessary to assist him in performing his duties under this Act.

Sec. 4. Upon request of the Special Prosecutor the head of any Federal department or agency shall—

- (1) detail, on a reimbursable basis, any of the personnel of such agency; and
- (2) provide any relevant information or materials, to the Special Prosecutor to assist him in carrying out his duties under this Act.

Such assistance by the Department of Justice shall include but not be limited to, affording to the Special Prosecutor full access to any records, files, or other materials relevant to matters within his jurisdiction, and use by the Special Prosecutor of the investigative and other services, on a priority basis, of the Federal Bureau of Investigation.

Sec. 5. All materials, tapes, documents, files, work in process, information, and all other property of whatever kind and description relevant to the duties enumerated in section 2 thereof, tangible or intangible, collected by, developed by, or in the possession of the former Special Prosecutor or his staff established pursuant to regulation by the Attorney General (28 C.F.R. 0.37, rescinded October 24, 1973), shall be delivered into the possession of the Special Prosecutor appointed under this Act.

Sec. 6. The Special Prosecutor shall hold office for a period of three years from and after his appointment and shall carry out his duties hereunder within that three-year period except as may be necessary to complete trial or appellate action on indictments then pending.

Sec. 7. The Special Prosecutor shall have and he is hereby given full authority to undertake any action he deems necessary and proper for the performance of his duties under this Act, including—

(1) issuing instructions to the Federal Bureau of Investigation and other domestic investigative agencies of the United States for the collection and delivery solely to the Office of Special Prosecutor of information and evidence bearing on matters within the jurisdiction of the Special Prosecutor, and for safeguarding the integrity and inviolability of all files, records, documents, physical evidence, and other materials obtained or prepared by the Special Prosecutor;

(2) conducting proceedings before grand juries;

(3) framing and signing indictments;

(4) signing and filing informations;

(5) contesting the assertion of executive privilege or any other testimonial or evidentiary privilege;

(6) conducting and arguing appeals in the United States Supreme Court, notwithstanding the provisions of section 518 of title 28, United States Code;

(7) instituting, defending, and conducting civil and criminal litigation in any court; and

(8) exclusively performing the functions conferred upon the Attorney General of the United States under part V of title 18, United States Code (relating to immunity of witnesses), with respect to any matter within his exclusive jurisdiction.

Sec. 8. In the event the Special Prosecutor shall resign or be removed from office pursuant to the provisions of this Act before having completed the performance of his duties under this Act, the Attorney General of the United States shall promptly appoint, subject to the advice and consent of the Senate, a new Special Prosecutor of the highest character and integrity to fulfill those duties, who shall serve subject to the provisions of this Act.

Sec. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

#### DISSENTING VIEWS

We are in favor, under existing circumstances, of statutory provision for the appointment of a Special Prosecutor.

We believe, however, that this appointment should be brought about in such a way that the objective can be accomplished with as few Constitutional and legal complications as possible.

We are more interested in the successful prosecution of the guilty than in the promotion of a political issue.

H.R. 11401 does not meet this standard. Under H.R. 11401 the appointment of a Special Prosecutor is lodged in a panel of three members of the United States District Court for the District of Columbia.

This procedure at once raises grave, and unnecessary, Constitutional questions by vesting in the Judicial Branch of the Government the appointment of an officer of the Executive Branch—a prosecutor, who acts as the agent of the executive in carrying out the executive's constitutional duty of enforcement of the laws. See *United States v. Cox*, 342 Fed. (2) 167 (1965).

The Constitutional question is one never definitively decided, but it is one of substance, the existence of which is conceded by every professional witness who testified before the subcommittee.

In this situation it would seem axiomatic that, if it is possible to secure an independent Special Prosecutor without building into our statute this Constitutional problem—which may invalidate every indictment the Prosecutor obtains—this certainly ought to be done.

In addition, H.R. 11401 poses very real practical problems.

Mr. Leon Jaworski, a prominent lawyer of high reputation, is already in office as Special Prosecutor under an appointment which is unquestionably valid. He and his staff—largely inherited from the former Special Prosecutor Mr. Archibald Cox—are already

actively engaged in the "Watergate" investigation.

If now a new Special Prosecutor is appointed under H.R. 11401 and the District Court panel does not see fit to appoint this same Mr. Jaworski who is already actively in charge of the investigation, we may well have a situation where we have two rival Special Prosecutors in office during a period of undetermined length while the Constitutional validity of the new Prosecutor's status is determined by litigation, which can only be ultimately resolved by the Supreme Court of the United States. Instead of prosecuting the guilty we may be engaged in a time consuming and unproductive struggle over jurisdiction between prosecutorial rivals.

In addition, there is certainly a very good chance that H.R. 11401, which is subject to very substantive Constitutional objection, may, if passed, meet a Presidential veto on that very ground. In that case there is also a real possibility that the passage of this bill will prove to be an exercise in legislative futility.

The normal way in which to appoint an executive officer is by an executive appointment. Such an appointment under Article II, section 2 of the Constitution may be by the President, with advice and consent of the Senate, or it may be by a Department Head. In either case, and as long as the appointment of the executive officer is kept in the executive branch, we avoid the Constitutional problem, already posed, which inescapably arises when we attempt, as in H.R. 11401, (also in alleged reliance upon the provisions of Article II, section 2) to place an executive appointment in the hands of the courts.

The only difficulty with this approach, under the unusual circumstances we now face, is that under the doctrine of *Myers v. United States*, 272 U.S. 52 (1926), it is not possible, in the case of a Presidential appointment, to restrict by statute the power of Presidential removal, and while later cases have cast some doubt upon the limits and extent of this doctrine it may well still apply in the case of a Presidential appointment of a prosecuting officer.

An earlier Supreme Court opinion, *United States v. Perkins*, 116 U.S. 483 (1886), which is cited with approval in the *Myers* decision, seems to give us a satisfactory answer to this dilemma, for the Court there held that if Congress delegates the power of appointment to a Department Head and vests that Department Head with the power of removal, Congress may, at the same time, "limit and restrict the power of removal as it deems best for the public interest." Thus the Court held in that case that the Secretary of the Navy could discharge a Naval Cadet only by and through a Courts-Martial, as provided by an Act of Congress.

In view of all the foregoing considerations we supported in Committee, and will offer as a substitute on the Floor, the provisions of a bill H.R. 11555, which, by statute, clothes Mr. Jaworski the present Special Prosecutor, who was appointed by the Attorney General, with all the powers, jurisdiction, and authority during a three year term of office heretofore given to Mr. Cox by the "guidelines" under which he operated, and which provides, by law, that he can be discharged only "for gross impropriety, gross misconduct, gross dereliction of duty, or for physical inability to discharge the powers and duties of his office, but for no other cause". This measure then further provides that if for any reason it should become necessary to appoint a successor to Mr. Jaworski, that successor shall have all the same powers and all of the statutory safeguards given to Mr. Jaworski, and shall, in addition, in his case, be appointed by the Attorney General "subject to the advice and consent of the Senate". This last provision will ensure a congressional participation in any future appointment, which is not insisted upon in Mr.

Jaworski's case, since he is already in office and actively functioning, and his appointment seems to have met with very general approval.

For reasons stated it is our belief that the substitute bill outlined above will assure an independent Special Prosecutor free of the serious Constitutional and practical objections which surround the Committee bill, H.R. 11401. We therefore dissent from the action of the Committee rejecting the substitute, taken on a 21-17 vote, and we urge the House to support our substitute proposal.

DAVID W. DENNIS.  
ROBERT MCCLORY.  
JOSEPH J. MARAZITI.  
TRENT LOTT.  
HAMILTON FISH, JR.  
WILLIAM J. KEATING.  
HENRY P. SMITH III.  
WILEY MAYNE.  
LAWRENCE J. HOGAN.  
TOM RAILSBACK.  
M. CALDWELL BUTLER.  
CHARLES W. SANDMAN, JR.  
WILLIAM S. COHEN.  
CARLOS J. MOOREHEAD.  
EDWARD HUTCHINSON.

#### NIH DRAFT GUIDELINES ON HUMAN RESEARCH NEED REVISION

The SPEAKER pro tempore (Mr. MAZOLLI). Under a previous order of the House, the gentleman from New York (Mr. RONCALLO) is recognized for 30 minutes.

Mr. RONCALLO of New York. Mr. Speaker, probably no subject so touches the hearts and outrages the consciences of Americans as physical and psychological abuse of those unable to protect themselves through immaturity, mental incompetence or lack of knowledge. Who does not cry at the suffering of the retarded children at Willowbrook, deliberately infected with hepatitis for research purposes? Who is not disgusted at our Government's action in deliberately withholding penicillin therapy from syphilitic blacks being studied at Tuskegee? And who among us can fail to be revolted by the recent accounts of surgical experimentation on aborted human infants, alive despite their untimely delivery, but without the capability of long-term survival?

On November 16, the National Institutes of Health published draft guidelines on protection of human subjects in the Federal Register and invited public comment and participation in advance of actual proposed rulemaking. I have taken this special order today to review both the positive and negative aspects of the NIH draft and to stimulate congressional and public input toward improving the final product.

At the outset, I want to give credit where credit is due and praise NIH for its good faith in publishing the draft ahead of time and giving us this extra chance for timely participation in the rulemaking process. This gesture is not without its political implications, however. The Senate version of H.R. 7724, the Biomedical Research Act, would establish within HEW a National Commission for the protection of Human Subjects to certify institutional review boards and establish guidelines for protection of human subjects similar to the published

NIH draft. A majority of this Commission would be composed of members drawn from the general public, rather than from the research community.

I think that this public participation in medical ethics is highly desirable and support the Senate title on establishing the Commission. It is not surprising, however, that some members of the research community would rather not have representatives from fields of law, ethics, theology, philosophy, humanities, and social science having a major say in what is or is not ethically appropriate in research on human beings. But it is precisely because a utilitarian view of human life has so unfortunately insinuated itself into segments of the medical world that such public input is vital. Physicians have traditionally maintained ethical standards even higher than the general population. When this leadership begins to break down, however, the layman must be allowed his say.

The biomedical research bill, including my amendment banning HEW support of live fetus research, passed the House on May 31. Senate action on their version, which included a similar amendment by Senator BUCKLEY, was on September 11. Votes in both Houses, on the amendments and on final passage, were unanimous or nearly so. Yet the distinguished chairman of the Subcommittee on Public Health and the Environment has not yet seen fit to accede to the Senate's request for a conference. House hearings on the Senate title were held over a month ago, so perhaps the chairman was waiting for the draft guidelines to be published as evidence that NIH had pre-empted the need for a commission. This adversary environment is not necessary, however, because the guidelines, if improved and published in final form, could serve to amplify the interim provisions of the Senate bill.

I have great respect for the outstanding accomplishments of the gentleman from Florida (Mr. ROGERS) in the field of public health legislation. I know that his dedication to the cause of medical research has and will continue to contribute to attacking many of the dreaded diseases and deformities that plague our lives. I urge the gentleman, therefore, that Commission or no Commission he agree to the conference and enact whatever version of H.R. 7724 will best assist and advance the cause of biomedical research while providing adequate safeguards for human subjects of experimentation.

To proceed with a review of the draft guidelines as published by NIH, let me say that although there are several major shortcomings, by and large they provide meaningful protection to many classes of research subjects who cannot adequately speak for themselves.

Children naturally form the first category of subjects which comes to mind when we think of those in need of special safeguards. To protect them, each HEW agency must establish an ethical review board to evaluate proposed research involving risk to children. Only one-third of the members of such a board may be engaged in human research activ-

ities. Additionally, the researcher himself must set up a protection committee of similar composition to act on behalf of the young subjects. Both parents, if available, must consent to their child's participation. If neither parent is available, a child may only be used if he is "seriously ill, and the proposed research is designed to substantially alleviate his condition." A significant innovation is to require the consent of the child himself, if he is at least 7 years old.

Before approving a research proposal, the ethical review board must consider its potential benefit and scientific merit, the degree of risk to children as shown in prior animal and adult human studies, and whether it is really necessary to use children to obtain the desired information.

Another class of potential research subjects is the mentally infirm. The NIH draft deals only with those who are institutionalized. NIH has drawn this distinction, noting that such persons suffer a triple burden with regard to consent. They might be unable to make an informed evaluation of the possible consequences of the experiment, might be seeking to win favor or early release from custodial authorities, and might be represented by legal guardians who do not really have the subject's interests at heart.

To look after the rights of the institutionalized mentally infirm, NIH would once again require that the researcher set up a protection committee. Instead of an agency ethical review board, however, the public or private facility undertaking the research would establish an organizational review committee with only token membership from the general public. These committees were outlined in HEW proposed rulemaking published in the October 9 Federal Register and relate to all human research activities. HEW expects to make those regulations final around the end of January.

The institutionalized mentally infirm would not be considered appropriate subjects for research unless it related to their impairment, unless it would study the effects of institutional life but did not involve risk, or unless there was no other source for the desired information. The legal guardian must consent to the use of the patient, and the subject's own consent obtained if he is sufficiently competent. At least one onsite inspection by the organizational review committee would be required. If the subjects are children, they get the added benefit of the rules discussed earlier.

The use of prisoners as research subjects is an open invitation for abuse. Certainly the voluntary nature of a prisoner's consent is open to question. In addition to the organizational review committee, therefore, a very special sort of protection committee must be set up. At least one member must be a prisoner or representative of an organization concerned with prisoners' interests, and not more than one may be connected with the prison itself or its sponsoring unit of government. Payment or reduction of sentence resulting from participation in research must be on par with other opportunities available to prisoners. De-



taineers prior to conviction may not be used, nor may a detained or imprisoned child.

The last group of potential subjects in need of special protection consists of pregnant women and the human fetus. The agency ethical review boards established to pass on proposed research involving children perform the same function with respect to this group. The researcher need not appoint a protection committee, however, unless recommended by the review board. The board must once again consider the scientific merit and potential benefit of the proposed research and the sufficiency of animal and adult human experimentation.

No research may be performed on a pregnant woman which might harm the fetus unless its primary purpose is to benefit that particular unborn child. Experiments on live, aborted fetuses is permitted only if the researcher had nothing to do with the abortion and the determination of the infant's viability. The fetus may not be kept artificially alive for research purposes, and procedures which terminate heartbeat or respiration are not allowed. When activities are permitted under these regulations, the consent of the mother and, when available, the father are required.

If the NIH draft guidelines provide so much protection, then where are the problems? What are the shortcomings which I hinted at earlier in this discussion?

First of all, these provisions would give official sanction to much of the same type of experimentation involving the human fetus which both Houses of Congress have so overwhelmingly deplored in their votes on amendments to H.R. 7724. I had hoped NIH would get the message, but for them to come back with this draft and say that a researcher can do anything he wants, short of actually killing the fetus, is an insult to nearly every Member of the House and Senate and does violence to the constitutional mandate that Congress, not the executive branch, set the policies for this Nation. Now I have no objection to experimental therapeutic procedures designed in an attempt to insure the survivability of the particular fetus involved. Nor do I find objectionable routine procedures, performed on all premature newborns, such as blood-typing and monitoring of heartbeat and respiration.

It is impossible, however, to accept the principle that the researcher could be allowed to perform surgery, remove tissues and organs, inject chemicals, drugs and dyes, purely in the name of research and without any reasonable assumption of benefit to the individual living subject. He must only be careful that he does not terminate or artificially maintain heartbeat or respiration. Oh yes, he must also get the consent of the mother, and the father if he is available.

And who is this mother? She is the one who gave the original consent for the destruction of the life in her womb, legally it appears, under the unfortunate Supreme Court decisions handed down earlier this year. Just because something went wrong and her baby happened to be born alive does not give her the right

to consent to its further harm by researchers who seem only to be interested in what that life had to offer their research, and not in what their skills have to offer that life. No, the mother has given up whatever right she might once have had to speak on behalf of her child, because she so patently does not have its interest at heart. Here, as in no other place, a protection committee is necessary, as well as strict regulations forbidding any sort of invasive research on a live human fetus other than for its own benefit.

Along these lines, I must congratulate the State of California for recently enacting a law to make live fetus research unprofessional conduct under the State medical practice act. I particularly commend Assemblyman Mike Antonovich and State Senators Roberti and Robbins for their stewardship of the bill through the legislature and Governor Reagan for signing it promptly into law.

There are several other deficiencies, as well, in the NIH draft. One major problem is that several criteria outlined in the discussion accompanying the proposed regulations are not reflected in the text itself. I know of no overriding principle of legislative history, such as we have with legislation passed by the Congress, which binds an executive agency to a prior interpretation of their own regulations.

For example, the discussion of children as experimental subjects states:

The investigator must also stipulate either that the risk to the subjects will be insignificant, or that although some risk exists, the potential benefit is significant and far outweighs that risk. In no case will research activities be approved which entail substantial risk, except in the case of clearly therapeutic procedures in which the benefit to the patient outweighs the possible harm.

The proposed text is completely silent on these criteria, substituting in their stead broader, nonexplicit considerations. I completely subscribe to the point of view just quoted and believe that it should be definitely spelled out in the regulations themselves. Also, the discussion applies all the safeguards for children to the human fetus. Here too, the text is regrettably silent.

Another case where there is a significant difference between the discussion and the text is in the field of in vitro fertilization, including both implantation of human life conceived in the laboratory and actual test tube babies. In its discussion, NIH proposes to require that the safety of these techniques be demonstrated in subhuman primates, including studies of the effects on the offspring thus conceived. Additionally, they would impose a strict ban on such research until guidelines regarding the responsibilities of all concerned, including both donor and recipient parents, are developed.

Without passing judgment at this time on the subject of in vitro fertilization in general, I would have preferred that the discussion include some concern for the likelihood of survivability of the human infant thus conceived. I think it a moral crime to deliberately participate in the God-given gift of conception with the full knowledge that many of the living products of this sort of experimentation

cannot be brought to term. It is bad enough to suffer the evils of abortion in our midst, without bringing still more foredoomed lives into existence.

In any case, there is still a lot of good in the NIH discussion. Once again, however, they have not included any of these criteria in their proposed text.

In looking over what NIH had to say, I was surprised to find that they had made no provision for the mentally impaired who are not institutionalized. Granted that those who cannot live in the care of their families or on their own are in need of the special protection afforded them in the NIH draft, but I believe that those only slightly more fortunate should be given protection similar to that provided to children.

Finally, I do not believe that the organizational review boards discussed in the October 9 proposed rulemaking provide sufficient means for protecting prisoners and the institutionalized mentally infirm. These committees are established within the facility conducting the research, and a good deal of conflict of interest could result. As long as the various HEW agencies would be required to set up their official ethical review boards for pregnant women and for children, both born and unborn, I think their scope should be expanded to pass on all research proposals involving subjects in need of protection.

NIH has recognized that public consideration and comment are vital to the development of their final recommendations. I hope they will listen with an open mind to what the Congress and the public have to say and incorporate these comments when they go to actual proposed rulemaking. To give the draft guidelines the widest possible distribution I have obtained reprints which will be distributed to all congressional offices this week. I hope that every Member will take the time to study them, draw his or her own conclusions, and submit comments to NIH. If possible, I would be very appreciative of receiving a copy of such comments to keep my file up-to-date.

I hope that these remarks have been both informative and objective. This is not a time for emotion. It is a time for careful and deliberative consideration on the ethical direction this country will take as we move into the last quarter of the 20th century. The real question is which is more important, the individual or society. Will we move backward toward the utilitarian view of human life which this country rejected during the Second World War, or will we move toward an era where the intrinsic worth of every person is paramount? The year 1984 is not that far away. The choice is ours.

Mr. HOGAN. Mr. Speaker, I would like to compliment the gentleman from New York (Mr. RONCALLO) for his initiative in providing this opportunity to comment on the draft proposal by NIH for guidelines on the protection of human subjects of research.

On May 31, the House clearly demonstrated its disapproval of fetal research when it adopted an amendment offered by Mr. RONCALLO to H.R. 7724, the Bio-

medical Research Act, which would put an outright ban on live fetus research. Even after the House demonstrated its insistence for this amendment, the NIH has come out with a preliminary proposal which would allow this research to take place in certain instances. The proposal would permit a mother to allow invasive surgery for research purposes if the child is born alive but without the chance of long-term survivability. Additionally, no special protection is provided to the non-institutionalized mentally infirm or to filial subjects of research.

The chairman of the subcommittee, Mr. STAGGERS, assured us that research would not take place on live fetuses. However, the very fact that NIH intends to conduct studies to determine whether or not they should fund experimentation on live fetuses leads me to the conclusion that they are very definitely considering it. Now we have their proposed regulations which would permit this in certain cases.

This is another manifestation of the growing disregard in this country for the sanctity of human life.

While I am not totally adverse to the NIH proposal, I am definitely opposed to allowing researchers to perform vivisection on humans. I also oppose the fact that the guidelines would only prohibit experimenters from surgically removing tissues and organs from a fetus if the procedure will terminate the viability of the fetus. Viability, according to NIH, is to survive to the point of independently maintaining vital functions. These vital functions include the beating of the heart and the inflating of the lungs.

The highest court in our land has announced that the taking of a human life by abortion is legal. This poses a problem as to the rights of all of us human beings. What are the rights of these tiny human beings? They are not capable of giving consent to their being used as experimental subjects and it should rest in the hands of Congress to insure the equal protection of their rights.

Mr. Speaker, H.R. 7724, the biomedical research bill, has already passed both the House and Senate and is awaiting a conference. The enactment of this bill would make it crystal clear that no funds appropriated under this measure, nor any similar act or authority by the Secretary of Health, Education, and Welfare may be used at the expense of live human fetuses. They do not in many cases have this protection and it is up to Congress to say that they will have it.

This is not a time for half measures but a time for the Members of this body to indicate their respect for human life. It is the time for Congress to demonstrate clearly that it will not fund research of this sort. If we fail to prohibit expressly this research, we will be contributing to the disregard for life expressed by the Supreme Court. Let us prove that America is not morally bankrupt but that we still cherish human life.

Mr. MAZZOLI. Mr. Speaker, I would like to take this opportunity to commend the gentleman from New York (Mr. RONCALLO) on his leadership on this most

important question. I compliment him on taking this special order to apprise this House, this Congress, and this Nation of the National Institutes of Health draft guidelines on the protection of human subjects in research.

Of special concern are the policies and procedures relating to the special treatment of human fetuses.

I have corresponded with Dr. John F. Sherman, then Acting Director of the NIH, as well as with members of the special study committee who drafted the guidelines in question. My opposition to research with live human fetuses is a matter of public record.

In reviewing the NIH draft guidelines, I noted in the summary of special policy considerations which accompanies the actual text of the proposed guidelines, the following statement:

Respect for the dignity of human life must not be compromised whatever the age, circumstance, or expectation of life of the individual. Therefore, all appropriate procedures providing protection for children as subjects in biomedical research must be applied with equal rigor and with additional safeguards to the fetus.

I agree wholeheartedly with these statements. Unfortunately, these particular safeguards are not explicitly contained within the text of the proposed guidelines themselves.

Further on, the summary states that:

The decision of the Supreme Court on abortion does not eliminate the ethical issues involved in research on the nonviable human fetus. No procedures should be undertaken on the non-viable fetus which clearly affront societal values.

I could not agree more wholeheartedly. Truly, this is a noble and principled statement. But, it is not spelled out to my satisfaction within the guidelines themselves.

Good intentions simply are not enough when a human being is involved.

In my judgment, if the NIH truly wishes to safeguard and protect the life and dignity of life of the fetus, regardless of its stage of development or viability, it must make this clear in the form of specific, detailed provisions contained within the guidelines themselves.

Personally, I favor an outright ban on live fetus research. This will not unduly hamper our scientists in their efforts to make our lives more healthy and of longer duration.

And in this connection I hope that the Biomedical Research Act of 1973, H.R. 7724, which bans live fetal research in programs directed and funded by the Department of Health, Education, and Welfare, can be acted upon by the conferees so that the Congress can give approval to the measure.

A respect for life demands a respect for all lives.

The most vulnerable lives are the ones the gentleman from New York (Mr. RONCALLO) and I believe are entitled to special protection under the law.

### ENERGY CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, there are some hard facts about the energy crisis which must be accepted by Government officials and, perhaps more importantly, by the people. We are going to have serious fuel shortages in the months ahead. The total deficit between demand and supply according to the Department of the Interior in its November 1973, report is 1.4 million barrels per day during the fourth quarter of 1973 and 3.5 million barrels per day during the first quarter of 1974. The energy problem is complex, it is real, it cannot be solved by any one single, simple cure. It is a short-term problem, and it is a long-term problem. Perhaps the most important fact is that every American will be required to make substantial sacrifices.

The situation is serious, and it serves no purpose whatsoever to dodge or water down plain facts. But America has encountered and solved serious problems throughout its history. Adversity, in fact, is as much a part of our American heritage as is success in grappling with that adversity. It is crucial, however, that we meet this problem with poise and with good sense.

The most important step, in my mind, is to develop a tough but fair allocation program. We must above all else make certain that no particular segment of our society, whether it is general aviation, the travel industry, or any other facet, bears an inequitable share of the scarcity burden. We must see to it that small businesses, the real foundation of our economy, do not fall between the slats in a scramble to allocate short supplies of energy. Before we make hasty moves, we must weigh carefully the direct and indirect effects of shifting the burden to one segment of the economy. Every American must have the fuel he needs to get to and from work, to perform his duties while at work, to go to church, and to heat his home. While probably no American will receive all the fuel he wants, we must see to it that he gets all he absolutely needs. I firmly believe that if we keep our programs fair, simple, understandable, and enforceable, the American people will close ranks as they have in the past, and we will lick this problem with minor economic disruption.

But to accomplish this goal, we must avoid knee-jerk reactions and keep our fingers away from the panic button. Government, employers, and every citizen must be steady and calm. Confusion must be dispelled, and sluggishness on the part of the Government and the major oil companies in response to genuine needs must end. The temptation to make a fast buck or to put selfish interests ahead of the country's needs must be resisted. Those found to be unfairly capitalizing on the shortages should be dealt with harshly.

Mr. Speaker, if we pull together, I feel certain that our Nation will successfully deal with this problem, both on a short and long term basis.



# GASOLINE—TO RATION OR NOT TO RATION?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROBISON) is recognized for 30 minutes.

Mr. ROBISON of New York. Mr. Speaker, it is an anomaly of more than passing interest that the same Congress which is seriously considering impeaching the President of the United States for having, among other things, exceeded his constitutional powers is, at the same, evidently ready to grant him virtually unlimited additional powers to deal with the burgeoning "energy crisis."

Perhaps I misjudge both the nature of the Senate-passed emergency energy powers bill—which is now being considered on our side of the Capitol—and the problems faced by our Senate colleagues in connection therewith, as well as their ultimate intent in adopting the same. But a surface examination of the result of their labors would appear to indicate that they—perhaps finding no consensus among them as to policy—merely passed the responsibility for handling the difficult energy crisis back to the President without, please note, attempting to define the principles or policy that should thereafter guide him.

As Senator HATFIELD stated to his colleagues in this regard—

When we in Congress get into a church, as we are now, all the rhetoric about Congressional responsibility goes out the window in our eagerness to pass the ball to the President. Congress need not become an administrative agency, but it should set policy.

Shortly, Mr. Speaker, it will be the lot of the House to consider similar legislation and, given the great influence such a measure will have not only on our entire economy but on our very lifestyle, I hope we can do at least a bit better.

I do not intend, in these remarks, to try to touch upon more than one aspect of our broad-ranging new problems—that aspect being the question of gasoline rationing, a subject which, given the American dependence upon, and longstanding "romance" with, the motorcar, is sensitive enough to tackle by itself, alone.

For whatever it is worth now, I said as early as last January that I felt gasoline rationing, of some sort, was probably on the horizon, and I have since repeated that unhappy thought on numerous occasions prior to the actuality of the Arab embargo which, everyone now seems to suspect, will make gasoline rationing—of some sort—a necessity.

The key phrase here is rationing "of some sort"—for there are a host of alternative approaches, or methods, for achieving the only purpose for rationing any scarce commodity, which is to guarantee the fairest possible allocation thereof to our citizenry after having first taken care of the apparent priority needs.

This is, of course, far easier said than done—it not being even particularly easy to settle that question of priority needs. As to the latter, while the White House will wait until later this month, as I un-

derstand it, to publish details of its ideas of gasoline priorities, one can assume they will generally follow the already-announced priority allocations of so-called middle distillate fuels to fuel production activities, themselves, public passenger transportation, good production and processing, plus "essential" community services—with modifications as necessary to fit the gasoline picture.

For now, all we know is that initial allocations at wholesale and retail gasoline levels will be made at a rate 15-percent below the projected first-quarter demand in 1974—or 10-percent below the 1972 demand—with a possibility that this percentage may be increased as refineries shift, as may be needed, from producing gasoline to producing more heating oil. Estimated savings, out of this, are 900,000 barrels a day—"barrels-per-day" having apparently become the standard against which we will have to measure, from now on, the level of many of our formerly unrestricted activities, and pleasures.

In any event, based on what we now know—and if the White House's "guesstimates" are accurate in this regard—the announced ban on Sunday sales of gasoline will save some 50,000 of those barrels-per-day, while reduced speed limits, which I personally hope we will have sense enough to keep uniform for truck, bus and motorcar, will supposedly pick up another 200,000 or so barrels per day.

To try, then, to put this into perspective, it would appear—at least to me—that, based on current projections of gasoline supplies, nonbusiness use of cars will have to be reduced by something like 30 percent, with overall gasoline consumption, including business driving, cut by somewhere between 20 to 25 percent.

To accomplish this without that gasoline rationing "of some sort," would seem to be both impractical and impossible.

The question then becomes one of method.

Our World War II experience with gasoline rationing may not be of major assistance in finding the right method. The reasons for this are several. There are, to begin with, nearly three times as many cars in the Nation today, as in 1942 when World War II gasoline rationing became nationwide. The average American car has, in addition, become steadily bigger and less efficient since then—getting 30 to 40 percent less fuel mileage today than in 1942. Also, if memory serves me right, most cars in 1942 were more or less alike, in size, in horsepower, and in fuel-consumption rates; in other words, there was not then the disparity in fuel consumption one finds, today, as between a Cadillac and a VW "beetle."

There are other differences. The vast suburban subdivisions, complete with shopping-centers and towering apartment houses poorly served—if served at all—by public transportation, exist nearly everywhere, and are clearly the product of the long American honeymoon with the automobile.

The same American affluence that permitted development of the suburbs, as a

new way-of-life, also permitted—for what may well be a majority of their inhabitants—an expansion of the original American dream from one to two cars "in every garage." And, more and more—with women now constituting 37 percent of the work-force, as compared with 20 percent 50 years ago—that second car is as essential to get that housewife to her job as the original "family-car" was to get the husband to his.

We have not realized the ambitious we once had in the housing field, but still, in 1970, 74 percent of the dwelling units in the United States were single-family, detached houses, as compared to only 64 percent in 1950—the closest year to 1942 for which I can find statistics; all of which means there are more of those garages, be they one or two-car in size. To which fact one can add the obvious trend toward multiple homes—at sea-shore or mountain—with the transportation involved in shuttling back and forth between the same. Not to mention, of course, the whole industries we have developed since 1942—which are industries, and not mere incidental "recreational" niceties—from ski-resorts, to "Disneylands," and from motels to roadside restaurants, all of which depend upon automobiles and whose disappearance, as a side-effect of the energy crisis, would have a serious effect on the overall economy not comparable to anything existing in 1942.

So, anyway we look at it, 1973—or 1974—is not 1942 when we think of gasoline rationing; and the 3 gallon-a-week "A" sticker handed out in 1942 for "essential" business—which the then-OPA defined as "necessary" shopping, or attending church services or funerals, getting medical attention, meeting emergencies involving "a threat to life, health or property," or trips for family or occupational necessities—would hardly meet today's actual needs.

Each gallon provided by that 1942 "A" sticker, the Government then figured, equalled 15 miles of driving—something today's "family-size" cars, equipped as the later models are with air-pollution control devices which exact at least an average 10-percent fuel penalty, cannot equal. The Environmental Protection Agency—fighting to avert a rollback of progress thus far made in alleviating air pollution stemming from motor vehicles—has just reminded us that vehicle weight is the single most important factor impacting on fuel economy and has stated, hopefully, that the accelerating trend toward the purchase of smaller cars will improve the emission-control fuel penalty. This trend, however apparent, will nevertheless not produce overnight results since few Americans can, in reality, absorb the economic loss involved in trading their big cars in now on small cars. I think, too, we have had a tendency to believe only the "rich" have big cars—whereas, Mr. Speaker, there are thousands upon thousands of one-car American families, usually those with the bigger families and lower incomes, who have big cars, typically station wagons, because they need vehicles of that size. How does one fit a family of seven or eight into a VW "beetle?"

I believe it was Will Rogers who, years ago—and long before automobile congestion became the problem and concern it is now—suggested that one way to solve the city parking problem would be to only license cars which had been fully paid for. This is a back-handed way of further stating that, in our consideration of the problems faced by most Americans in trading down to a small car, practically all of their currently owned big cars carry substantial bank loans on them which cannot conceivably be paid off in today's deflated, big-used-car market.

There are, of course, still further efforts that can be made by today's big-car owner. Mass transit is one such effort—but not much more of that than now available is on the immediate horizon, so it remains a long-term answer, at best. Commuter carpools offer more instant relief, and should be vigorously promoted. A recent Treasury Department study, as a colleague has just informed us, shows carpools as being one of the more effective energy conservation measures immediately available—with a potential saving of 780,000 barrels of gasoline per day merely by increasing the current, average automobile occupancy rate from 1.3 persons per car to 2.3 persons per car. With the price per imported barrel of oil approaching \$10, this would also save some \$7.8 million per day on our balance-of-payments problem. Surely, this is one route we all ought to travel—and now.

But even such stopgap measures, no matter how helpful, do not appear to be enough, especially if those White House "guesstimates" turn out to be too much on the optimistic side—and it is far too difficult than it should be to get an accurate handle on just what the gasoline supply picture really is, which adds to everyone's confusion and uncertainty.

So, with time fast running out, we come back to that question of gasoline rationing "of some sort."

There are various options, Mr. Speaker, and the best summary of those options I have seen is set forth in the following article by Robert D. Reischauer, as contained in the local "Star-News" the Sunday before last. Mr. Reischauer, an economist and research associate at the Brookings Institution, does not try to guide us to the right decision but he does give us this choice of options, along with their more obvious pros and cons:

#### WHICH RATIONING SYSTEM? NO EASY, POPULAR ANSWERS

(By Robert D. Reischauer)

It has become abundantly clear that petroleum soon will be rationed one way or another. Queues, coupons and prices, together with combinations of these devices, are the basic options available.

Each of these devices can be evaluated on the basis of several important considerations. They include: Is it fair? Could the same result be achieved with less cost and inconvenience? Are the incentives created socially desirable? And, finally, what are its political prospects? The answers to these questions are by no means clear.

#### QUEUES

If the basic fuel policy of the administration continues to be pious exhortations to drive slow and live cool, queues will become

the major rationing device. With the prices of gas and oil fixed at close to their present levels by Phase IV guidelines, the amounts demanded will far exceed available supplies. In such a situation those arriving at a gas station or calling their heating oil distributor shortly after a fuel delivery will be served, while those who arrive or call later will not.

But queues are no way to distribute gasoline or heating oil. In the first place, it is arbitrary and would not conform to anyone's notion of matching needs to resources. Those with time on their hands, such as students and retired persons, could wait at the gas station for a fuel delivery; housewives in two-car families and secretaries may find the better part of some days consumed waiting to tank up a car in order that their husbands or bosses can commute by car.

Rationing by queueing is also inefficient. Time and gas will be needlessly expended looking for gas or seeking out distributors with heating oil. If gasless service stations become prevalent, few will dare venture forth on trips that consume more than a tank full of gas, irrespective of how vital the trip may be.

The incentives of a queueing system are also clearly undesirable. To the extent possible, people will hoard.

Under a system of rationing by queues, the gap between the actual and the market clearing price (the price at which supply and demand are equal) constitutes a temptation for finagling that distributors of petroleum products will find hard to resist. While some service stations may be so crass as to demand a cash bribe in return for regular phone calls telling a customer when new gas supplies are expected, the more usual pattern will probably be that such information can be gotten in return for the purchase of a pair of exorbitantly priced snow tires.

Modifications such as limiting each customer to a fixed number of gallons at each purchase or reducing gas station hours can be made in the system of rationing by queues. However, it is unlikely that such gimmicks would reduce consumption significantly. And the first could result in an increase in waste caused by people cruising the streets from one station to the next.

At present, what our political system seems best at doing is nothing. Since doing nothing will result in rationing by queues, the prospects for adoption of this "solution" seem bright. The President's clear aversion to other forms of rationing also should lead a betting man to predict that until dislocation and public outcries reach calamitous proportions we will all be waiting in lines.

#### COUPONS

Under a system of rationing by coupons each consumer is given the right to buy a fixed number of gallons of fuel. Pieces of paper called coupons are not a necessary part of such an allocation system. For example, the administrative rules that require heating oil distributors to provide every house with 85 percent of the fuel it received last year are a form of rationing by coupons.

The rights or coupons could be either transferable—that is, sellable—or non-transferable. With transferable coupons anyone who was willing to forgo a bit of driving or to live in a cooler home could sell his rights to others. The price of coupons will tend to rise to an amount equal to the difference between the current price and the higher price needed to reduce demand to the level of available supplies.

Americans apparently view rationing by coupons as the fairest system. This popularity stems from the mistaken belief that coupons will be distributed according to each of our notions of need. However, there are an infinite number of possible ways to allocate coupons. Gasoline chits could be distributed on a simple per capita basis, a fixed allotment per family, or on the number of

cars owned by each family possibly adjusted by the use of each vehicle (pleasure, business, commuting). In areas of similar climates heating oil could be allocated by the size of the house, the number of persons housed, or by past use.

No matter what rules are selected for the distribution of ration coupons, at least half of the populace will regard the system as horrendously inequitable. If fuel oil is distributed on the basis of consumption last year, those who kept their homes heated at 76 degrees will receive more than those who spent last winter at 70 degrees; in other words, those who contributed most to the crisis would suffer the least. On the other hand, if heating oil is allocated by house size or number of persons living in the house, the distribution may be regarded as unfair because it bears little relationship to the amount needed to keep each house at 68 degrees.

Similarly, if each car gets 15 gallons a week the one-car family will feel that their two-car neighbors are unjustly benefited. If gas coupons are distributed on a per capita or per family basis car owners will question why carless families should get anything. If carless families do not get coupons they may wonder what they will give the driver of their car pool to induce him to drive those extra miles to pick them up? If all families with cars get the same number of coupons, those with long commutes will feel they are suffering unduly when their neighbor who works around the corner from the office uses his coupons to take a ski trip.

A nontransferable system of coupons would be rigid and produce undesirable incentives. Those who usually used less gas and oil than allotted them under the coupon system would have no motivation to conserve. Seasonal imbalance between fuel supplies and coupons may develop if some save their coupons for summer trips. Black markets for coupons would soon appear.

Some of these problems could be overcome through a system of salable coupons. Under such a system all consumers would have an incentive to conserve fuel. From an equity standpoint, however, it would be imperative that salable coupons be distributed not according to fuel use or needs but rather in accordance with some views of the appropriate income distribution because such coupons would in fact be equivalent to a cash transfer.

With respect to political viability, rationing by coupon probably runs a close second to queues. This is because the Democratic Congress can force the administration to take this "fairest of all" path but not specify the exact method of distributing the coupons. The Republican administration will thus be saddled with perpetrating the gross inequities that half of us inevitably will see in whatever method is chosen to allocate the coupons.

#### PRICES

Under this rationing device, the price of petroleum products would be allowed to rise. As this occurred, consumers would curtail their demand until it matched available supplies. Although there is great uncertainty about it, most experts estimate that the price of gasoline would have to double if it is to hold demand down to the level of probable supply.

The economic textbooks claim that rationing by price is the most efficient system. Everyone has an incentive to reduce fuel consumption but differential responses are likely. In areas where public transit is available, gas costing 85 cents a gallon may lead to a 30 percent reduction in car use. But in rural areas where there are no other options, fuel may drop only marginally. In contrast, rationing by nontransferable coupons would force an equal reduction in both areas.

What is most important, however, is that



the decisions on how to use fuel would not be forced on the consumer by the government.

Although virtually all consumer products are currently allocated by price rationing, there is a tremendous aversion to this solution because of equity considerations. A doubling of gas and oil prices would constitute an intolerable burden on the poor, while for the rich it would hardly be noticed.

There also is the question of who would benefit from the higher price. Some analysts have argued that the petroleum companies should keep the proceeds of the higher price since increased profits are needed to stimulate new production and exploration. But surely there are more direct and efficient ways of stimulating such behavior. Others have suggested that we should not be too concerned about greater profits because some of this largess would flow to the government in the form of higher corporate taxes. However, as most Americans are only too aware, twist tax code and Treasury a rather substantial drop hits the lip of corporate stock holders.

The other possibility is that the federal government raise prices by increasing the federal gas tax and instituting a new heating oil tax, but this raises new complications. First, it would be difficult to select the level of tax that, when added to the current price of gas or oil, would constitute the market clearing price. Of course we could start off with a 30 cent tax and, if this proved to be too high or too low, adjust it a few pennies a week in the appropriate direction.

A neater solution would be to let the petroleum wholesalers set a market clearing price and then make the tax a variable amount equal to the difference between the new and old market prices. It may be necessary to share 5 or 10 percent of the tax with the companies to provide them with an incentive to set the correct price.

The second problem that would face the federal government if it were to raise the taxes on petroleum products would be that it would find itself with increased revenues of some \$50 to \$70 billion. Some of this money could be used to subsidize mass transit systems. However, the vast bulk probably should be returned to the consumer. In this way the poor can be protected from the rising price of gas and oil just as would be true under a coupon system. In fact, a tax rebate system can be made to have the same distributional impacts as any salable coupon system but without the possibilities for counterfeiting.

But there are problems with such a tax rebate scheme. Determining who should get how much of a rebate is no easier a task than designing an equitable distribution of coupons. Furthermore, there is the matter of timing. A rebate check received in June will neither help the low income elderly buy heating oil this winter nor get the worker to his minimum-wage job.

The political prospects for rationing by price are bleak at best. When faced with crises this nation has generally driven the road of the managed economy because it gives the electorate a feeling that the situation is being controlled by their representatives. Furthermore, any price rationing scheme would require new tax and welfare legislation that would take months to pass Congress.

#### HYBRIDS

There are a number of conceivable hybrid solutions. For instance, half of the gas could be allocated by coupons at moderate prices, and the rest rationed by greatly increased prices. Alternatively, a consumer could be required both to use coupons and to pay an inflated price to get any gas at all.

In general such methods are advocated by those who feel that there are significant

differences between the short and long run problems. If higher prices will not cut fuel consumption by the non-poor significantly in the short run, then only coupons will protect the poor. Over the long run, however, prices may be more efficient because people will then adjust their living patterns and the types of cars they own. Unfortunately hybrid solutions combine the weaknesses of both of the contributing schemes and add a new flaw—the incentive of the buyers and sellers to shift the product from the scheme that is least beneficial to them to the other.

There are no easy or popular ways to allocate the scarcity of a vital product. Some industries and families inevitably will suffer much more than others.

This may bring out the worst in Americans. As Washingtonians drive 50 miles an hour along the heavily patrolled beltway, a few will be suspecting that out on those back roads Texans are still barreling along at 90 miles per hour. Home owners who run out of oil may stop to wonder whether their neighbors with gas heat have really been living at 68 degrees.

While we might not reach the point where we begin counting the lights on our friends' Christmas trees, it is true that a warm house and a full gas tank make feelings of brotherhood among all men easier to come by.

I, for one, am very glad that the administration has finally put its house in some sort of operational order—what with the temporary creation of the Federal Energy Organization which, if given legislative status, will become the Federal Energy Administration and may stay with us a long time, and the appointment by Mr. Nixon of William E. Simon, Under Secretary of the Treasury, to head the same. I have known Bill Simon for some time, now, and have considerable confidence in his sagacity as well as in his capacity for doing this difficult job as well as anyone could. He has not, of course, been in charge long enough yet to justify criticism, but I do fear that time for a decision on gasoline rationing is running out if for no other reason than that, if we have to come to it, it will require several months to get an appropriate and viable rationing system into place. Bill Simon will, I think, be his own man, as far as he can, but he carries into office with him the administration's rather apparent bias against rationing, except as a last resort. Perhaps he is biased against it, too. He has not said, having indicated only so far that he thinks we can wait to the end of this month to see the result of what might be called "voluntarism" in the reduction of demand by motorists, and perhaps also to see how mild a winter we can anticipate, overall, since if the refineries have to concentrate on heating oil production to keep people warm, the gasoline situation will get appreciably worse.

But one thing he has indicated bothers me, Mr. Speaker, and that was his thought—at a recent press conference—that gas prices would have to rise by 40 cents a gallon for consumption by private passenger automobiles to be cut by the 30 percent that, at a minimum, may be necessary.

This could indicate that, like some high up in the administration, he tends to opt for allowing gasoline prices to go up to such a level that demand comes down to meet it. This is an appealing idea to

most economists—and to those "free-market" people, in whose category I might normally count myself but for the special, economic problems we face with regard to this particular product in short supply.

For gasoline—for better or for worse—may, for reasons I have touched upon, have become as important to our society, today, as the potato was to the Irish during the 1845-49 Irish potato famine. At that point in history, the economists of that day said, in effect, there is no crisis regarding the potato, but simply a need for a higher price to ration the excess demand down to the scarce supply and to coax out higher supplies in the future. That was an apparent solution—but it does not explain away the fact that literally millions of men, women and children died of hunger from it.

Now, quickly, Mr. Speaker, I am not suggesting that, if we do not ration gasoline now in some more-equitable fashion than merely letting the market system do it, that Americans will "starve." I have no such notion in mind. Instead, I am merely suggesting that—and, again, for better or worse—the automobile is now so essential a part of our overall economy that rationing of the fuel on which it runs will become essential, sooner rather than later, based on some method better than one's ability to pay for that fuel.

If the administration has been loath to come to this decision—and, for the time being, seems content to rest on "congestion rationing" which, with cars already lined up 10 or 20 deep waiting to fill their gas tanks on Saturday nights before Sunday closings, may be the most-inefficient of all possible options—Congress has, so far, been equally reluctant to come to grips with the basic question. It is true that an amendment to require gasoline rationing by next January 15 was offered to the emergency energy powers bill in the other body, only to lose—with the Senators up for reelection next year voting overwhelmingly against it—19 to 10. But, here on the House side, as we stake out our positions on our version of the same legislation, most of my colleagues seem as ready to shy away from being for rationing as a horse was, in the old days, to shy away from the first "horseless-carriage" it ever saw.

So, Mr. Speaker, I want to say—here and now—that I am for gasoline rationing—still, perhaps, for gasoline rationing "of some sort," but for it, nevertheless.

I am well aware, in saying this, of the pitfalls involved—if our World War II experience is of any value—in any such system; of the probability of "black-marketing" again; of the possible need to establish a whole, new Federal bureaucracy to operate and police any rationing system, although the local "draft boards"—already in place, without much now to do, and accustomed to keeping sophisticated records systems—ought to be explored as one possible mechanism for doing the job; and aware, too, of the probability that the public, whatever the system, will fret and complain about its fairness and equity, and blame each and every one of us who hung the burden thereof around their necks.

But, despite all these coincidental liabilities in being for gasoline rationing "of some sort," I think that is a more honest and responsible position to take than merely letting the President do what he thinks is needed, and then sitting back to join the inevitable legion of critics he will garner for his efforts. All too often of late, in facing up to unhappy situations—and decisions—like this one, silence and ambiguity have become the congressional substitute for policy. But in light of the fuel shortages predicted and possible, unprecedented as they are in peacetime, the American citizen deserves something better than that from its Congress. Besides which, if whatever form of rationing is adopted is to work, at all, it needs the solid support of both President and Congress at its inception so that the average citizen will have some sense of feeling that national policy has, indeed, been made.

Whether or not I will get a chance to vote these convictions in the next several days is almost totally uncertain. The House version of the emergency energy powers bill is out of committee but not available to us, yet—and no one knows what amendments may, or may not, lie to it.

Hence, Mr. Speaker, I will have to leave this statement more up in the air than I would wish. Suffice it to say I do not presently think a mere repeat of our World War II rationing system is the answer this time. I lean, instead, toward a system that allows a basic, weekly gasoline allocation to every registered vehicle in the Nation, with upward adjustments of those allowances for those vehicles used by medical doctors, farmers, certain commuters where neither car-pools nor mass-transit alternatives were available, and the like, on the basis of demonstrable need. Beyond this basic allowance—which would be on a minimal basis—I should think additional gasoline coupons could be issued to the registrants of such vehicles which coupons would be transferrable on a free, or "white" market, but at a price increased by an additional Federal tax per gallon at a level to be determined upon but sufficient to offset the inevitable Federal investment now made necessary in both mass-transit areas and research-and-demonstration areas in such energy fields, alternative to our present dependence on petroleum, as solar and geothermal energy, along with nuclear fusion. These transferrable "bonus" coupons would confront the vehicles' owners—or drivers—with a purchasing price for extra gasoline that, while preserving for all of us some freedom of choice, would more accurately reflect today's scarcity value of gasoline than would the old World War II nontradeable rationing system.

These "bonus" coupons, it would seem to me, would have to be controlled by the Federal administrators, based on their estimate of gasoline available, each month, for so-called "nonessential" driving; while, at least for now, the "basic" coupons would have to take into consideration the classification of existing vehicles—big and small—into certain classes relating to their fuel-con-

sumption. To do so—or even to suggest it—gets one in hot water with the Volkswagen owners who argue that it is the Cadillac owners, not they, who contribute the most to the gas shortage. Still, if one wants to be fair—and to remember that not all big cars are presently owned by the so-called "affluent" American—it is necessary for now to try to give the owner of each existing car equivalent mileage for his supposed "essential" purposes.

Unfortunately, the system I have in mind does discriminate in favor of the two-car family, but I do not know how to get around that problem; even so, I find it a good deal less cumbersome than the proposals being advanced by some—notably here in Washington by the Washington Post—whereunder every citizen over 16 would get transferable gas coupons and, thus, some sort of Federal subsidy even if they were not licensed drivers. It may be appealing after a fashion to suggest—as the Post does—that the citizen too poor even to have a car, or to need a driver's license, ought to have a small, weekly subsidy out of the energy-crisis but I deem the real proportions thereof of sufficient economic concern already without turning it into some new form of social welfare.

Under the hybrid rationing system I have in mind, gasoline prices would continue to be subject to price controls. I think they have to be—what with Gulf and Exxon profits, just as two examples, up 91 and 81 percent respectively in the past 12 months. If such companies, no matter the need to give them incentives toward greater production, continue to so flourish while, in effect, the driving public languishes, the credibility needed by our Government to encourage voluntary reductions in driving habits will never be established.

The blemishes in any conceivable rationing system are painful to contemplate, and all too obvious, Mr. Speaker. What I propose is not something I am wedded to, necessarily, but for the moment I find it better than any other proposal—hence, I now advance it in the hope somebody may be listening.

The future we face, together, in this—and so many other—aspects of the burgeoning energy crisis is full of uncertainty, doubt, and even, more than a little fear on the part of the public.

I would seek to answer some of those concerns—not only by trying to be responsive to this particular part of the puzzle, for whatever my efforts may be worth, but by reminding ourselves, Mr. Speaker, of what the noted historian, Barbara Tuchman, has written concerning man's capacity to influence his own destiny. Drawing a parallel between the turbulence of our day and earlier times of travail, she declared:

As our century enters its final quarter, I am not persuaded, despite the signs, that the end is necessarily doom. The doomsayers work by extrapolation; they take a trend and extend it, forgetting that the doom factor sooner or later generates a coping mechanism. I have a rule for this situation, too, which is absolute: You cannot extrapolate any series in which the human element intrudes; history, that is, the human narrative, never follows and will always fool, the scien-

tific curve. I cannot tell you what twists it will take, but I expect that, like our ancestors, we, too, will muddle through.

So, will we, Mr. Speaker, if we but keep our heads—recognizing that change is all about us, and that a new era is emerging. But that fact need neither frighten us, nor discourage us.

#### PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. YOUNG) is recognized for 1 minute.

Mr. YOUNG of Illinois. Mr. Speaker, I was absent from the House on Monday December 10. I was working on various constituency matters in my 10th District offices in Skokie and Des Plaines. I missed rollcall No. 639 involving a vote on the rule for consideration of the Trade Reform Act of 1973. I would have voted "aye" in favor of the rule that was adopted.

#### AMENDMENTS TO BE OFFERED TO H.R. 11450 TOMORROW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 5 minutes.

Mr. COHEN. Mr. Speaker, tomorrow, during consideration by the House of H.R. 11450, I intend to offer two amendments which would 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 and which would 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 effective insulation and heating equipment.

I include herein the text of both of my amendments:

The Congress finds that the heating and cooling of homes accounts for approximately 12 per centum of our national energy consumption, and that the severe shortages which are presently anticipated in the supply of oil and gas used for home heating, along with the expected substantial increases in the cost of electricity, will significantly and adversely affect these structures. The Congress further finds that millions of American homes now lack adequate insulation or efficient heating plants or both, and that up to 50 per centum savings in energy use in these structures could be achieved if they were equipped with such insulation and more efficiently heated.

It is the purpose of this amendment to provide a source of financial assistance for homeowners and other owners of residential structures so as to enable them to purchase and install more effective insulation and thereby improve their health and comfort while substantially reducing energy use.

#### AUTHORIZATION OF LOANS

In order to carry out the purpose of this amendment, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make loans as provided in this section to individuals and families owning and occupying one- to four-family residential structures, and to



other owners of residential structures of any type, to assist them in purchasing and installing qualified insulative materials and/or qualified heating equipment (as defined in section 4) in such structures.

(b) A loan made under this amendment with respect to any residential structure shall—

(1) be in such amount as may be necessary to meet the maximum desirable insulation standards for controlling heat loss, cooling loss, and infiltration and/or to reach the maximum desirable heating efficiency in the case of structures of the size and type involved, taking into account the climatic, meteorological, and related conditions prevailing in the region where the structure is located, as established by the Secretary in regulations prescribed by him and in effect at the time of the loan;

(2) bear interest at the rate of 5 per centum per annum on the outstanding principal balance;

(3) have a maturity not exceeding ten years; and

(4) be subject to such additional terms, conditions, and provisions as the Secretary may impose in order to assure that the purpose of this Act is effectively carried out.

(c) Each application for a loan under this amendment shall be accompanied by detailed plans for the purchase and installation of specified insulative materials and an estimate of the costs involved. No such application shall be approved unless the Secretary finds that the proposed insulation is reasonable and will be effective, that the costs will not be excessive, and that the insulation will not be of elaborate or extravagant design or materials.

#### DEFINITIONS

**QUALIFIED INSULATIVE MATERIALS.**—For purposes of this amendment, the term "qualified insulative materials" means any material or item which, as determined by the Secretary after consultation with the National Bureau of Standards, is capable of achieving a significant reduction in heat loss, cooling loss, or infiltration when properly installed in a residential structure under the prevailing climatic, meteorological, and related conditions. Such term includes (without being limited to) glass and plastic storm windows and doors, flexible and fill insulation, blown insulation, and any other material or item which is approved by the Secretary as being useful and effective for the insulation of ceilings, floors, walls, windows, or doors.

**QUALIFIED HEATING EQUIPMENT.**—For purposes of this amendment, the term "qualified heating equipment" means any item, fixture, or equipment which, as determined by the Secretary after consultation with the National Bureau of Standards, is capable of and designed for improving the operating efficiency of a heating plant in a residential structure. Such term includes (without being limited to) heat exchangers, ducting, and any other item, fixture, or equipment which is approved by the Secretary as being useful and effective for improving the operating efficiency of a heating plant in a residential structure.

#### DISSEMINATION OF INFORMATION

The Secretary shall provide to any person upon his or its request (without regard to whether or not such person is making or proposes to make application for a loan under section 3) full, complete, and current information concerning recommended standards and types of insulative materials and heating equipment appropriate for use in residential structures of varying sizes and types and in various regions of the country.

In the performance of, and with respect to, the functions, powers, and duties vested in him by this amendment, the Secretary shall (in addition to any authority otherwise

vested in him) have the functions, powers, and duties set forth in section 402 (except subsections (a) and (c) (2)) of the Housing Act of 1960.

#### APPROPRIATIONS; REVOLVING FUND

There is authorized to be appropriated the sum of \$10,000,000 to provide an initial amount for the program under this Act, and such additional sums thereafter as may be necessary to carry out such program. Amounts appropriated pursuant to this amendment shall be placed in and constitute a revolving fund which shall be available to the Secretary.

#### AMENDMENT No. 2

That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 189. EXPENDITURES FOR HOME INSULATION AND HEATING EQUIPMENT

"(a) IN GENERAL.—There shall be allowed as a deduction any expenditures made by the taxpayer during the taxable year for the purchase and installation, in his home or in any other residential structure owned by him, of qualified insulative materials or qualified heating equipment.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED INSULATIVE MATERIALS.—The term 'qualified insulative materials' means any material or item which, as determined under regulations prescribed by the Secretary or his delegate in accordance with standards developed and prescribed by the National Bureau of Standards, is capable of achieving a significant reduction in heat loss, cooling loss, or infiltration when properly installed in a residential structure under the prevailing climatic, meteorological, and related conditions. Such term includes (without being limited to) glass and plastic storm windows and doors, flexible and fill insulation, blown insulation, and any other material or item which (under such regulations or standards) may be useful and effective for the insulation of ceilings, floors, walls, windows, or doors.

"(2) QUALIFIED HEATING EQUIPMENT.—The term 'qualified heating equipment' means any item, fixture, or equipment which, as determined under regulations prescribed by the Secretary or his delegate in accordance with standards developed and prescribed by the National Bureau of Standards, is capable of and designed for improving the operating efficiency of a heating plant in a residential structure. Such term includes (without being limited to) heat exchangers, ducting, and any other item, fixture, or equipment which (under such regulations or standards) may be useful and effective in improving the operating efficiency of such a plant.

"(c) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to assure that insulation and heating equipment with respect to which deductions are allowed under this section are effective for their intended purposes and are not of elaborate or extravagant design or materials."

(b) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 189. Expenditures for home insulation and heating equipment."

SEC. 2. The amendments made by the first section of this amendment shall apply only with respect to expenditures made after December 31, 1972, in taxable years ending after such date.

#### KAIPAROWITS COAL DEVELOPMENT ESSENTIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. McKAY) is recognized for 5 minutes.

Mr. McKAY. Mr. Speaker, the Interior Department is currently evaluating a proposal to build a coal-driven power generating plant on the Kaiparowits Plateau in southern Utah. This project has been in the planning stages for over 10 years, and has been delayed once already by Interior with a site rejection. With the energy crisis worsening daily, it is time to move ahead on this project. Delays will prolong the plant construction and deny critically needed power for the Southwest.

Mr. Speaker, it is estimated that there are a billion tons of recoverable low-sulphur coal in the mine complex which will support this plant. No strip mining will be necessary; all of the coal is recoverable through deep mining. Coal is America's only abundant and available raw fuel source, and Congress should insure that this particular coal resource is used.

If this plant were in operation today, it would be saving roughly 33 million barrels of oil a year. This is more oil than the entire State of Utah uses in a year, and its current market value would be \$225 million.

Clearly, the construction of this powerplant is important. Reservations about its development have centered around the environmental implications, with the Nipple Bench site rejected as too close to the recreation complex at Lake Powell. The power companies now have submitted a second site, at Four Mile Bench, which is 16 miles to the north of the original site and 1,000 feet higher. The Interior received this proposal favorably, and the participants are optimistic about the ultimate development.

Besides the site selection, which places the plant in an isolated area with broad dissemination of any emissions, the participating power companies have committed themselves to the most modern and effective emissions control devices available. Even if the plumes of the Kaiparowits plant and the Navajo generating plant, which operates in the Four Corners region, should overlap, the calculations indicate that emissions would still be below the allowable secondary Federal standards.

In the next 10 years, the energy needs of the Southwest are expected to increase by nearly 15,000 megawatts. The Kaiparowits plant will supply nearly 20 percent of this increase. If the project is not built, the existing systems will be required to take up the increased demand, hurting the reliability of the system and forcing an increasing reliance of alternate energy sources like oil.

For Utah, the economic impact of the plant would be immense. In Kane County, where the proposed site is located, 6,200 new jobs would develop because of the project, with 3,200 new housing units anticipated. Tax income would approach \$37 million a year, coal royalties would be \$1.6 million, and Utah sales volume would

climb to \$74.1 million because of the plant.

That plant needs to receive a go-ahead as soon as possible, Mr. Speaker, and time hurts us. Once all of the environmental approvals have been obtained for site selection, the plant still must face a lengthy process of applications for construction and rights-of-way, all subject to environmental impact statements, public hearings, and policy reviews. From the day construction begins, it will require 5 years to move the plant on line.

If the United States is to be self-sufficient in energy, the country must rely, at least at first, on coal. The development of this powerplant, with its use of low-sulfur coal, should proceed as soon as possible. This development hinges on site election approval from Interior, and I hope this decision is expedited.

#### TRADE REFORM ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

Mr. HOWARD. Mr. Speaker, today, by a 272 to 140 vote, the House passed the Trade Reform Act of 1973.

While the legislation contained some meritorious language, such as the Vanik amendment relating to Soviet Jewry which I cosponsored, it also contained many flaws.

Consequently, I voted against final passage of this legislation.

More and more, the Congress is inclined to give the President more authority, and this is precisely what this trade bill does.

Second, I do not think the timing was right for consideration of a trade bill this week.

There is a very unstable situation in the Middle East. Nations, once friendly to us, are now backing off as a result of the situation in the Middle East, particularly because of the oil export threats from Arab nations.

The Senate has not indicated any great desire to seriously work on the trade bill for some time to come.

Although I have some serious reservations about the Trade Reform Act of 1973, I am more than pleased to see that the Vanik amendment on Soviet Jews is included in this legislation. I applaud Mr. VANIK for his work on this fine amendment.

#### CPA AT TVA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, continuing with my effort to avoid confusion in relation to the scope of authority of the proposed Consumer Protection Agency, I wish to insert additional material received from the Tennessee Valley Authority.

The CPA proposals, all now pending before a Government Operations Subcommittee on which I serve, are H.R. 14 by Congressman ROSENTHAL, H.R. 21 by Congressmen HOLIFIELD and HORTON and

H.R. 564 by Congressman BROWN of Ohio and myself.

As you know, I have asked those Federal agencies which would be subject to the CPA's advocacy rights to list their 1972 activities which would be subject to CPA action. The initial reply of the TVA was inserted in the Record of October 29, 1973.

With the Nation now entering an energy crisis of uncertain magnitude, I have requested TVA comment concerning authority of a CPA to obtain court review of energy related actions taken by the TVA.

The TVA Act authorizes suits against the TVA. Thus, the CPA could seek, and the TVA would be subject to judicial review of its final actions if, and this is an important if, the CPA is authorized to obtain such review.

Two of the pending CPA bills would authorize the CPA to obtain such review. Only the Fuqua-Brown bill, H.R. 564, would withhold authority to initiate judicial review of agency action from the CPA. Only the Fuqua-Brown bill would not grant to this nonregulatory CPA the extraordinary power to obtain court review of final actions of the TVA on energy related matters.

The reply of the TVA requests that the CPA not be authorized to seek or participate in court actions involving TVA power matters. Rather than provide specific exemptions for agencies such as TVA, I commend to you the approach of the Fuqua-Brown bill which does not authorize court appeal by the CPA of the final actions of any agency.

Mr. Speaker, for the reasons stated, I now include in the Record, the reply of the Tennessee Valley Authority.

TENNESSEE VALLEY AUTHORITY,  
Knoxville, Tenn., November 29, 1973.

Hon. DON FUQUA,  
House of Representatives,  
Washington, D.C.

DEAR MR. FUQUA: This is in response to your letter of November 20, 1973, relating to proposed legislation to create an independent Consumer Protection Agency (CPA) now pending before the Government Operations Committee. You have asked us to advise you as to which of our decision-making responsibilities in energy-related areas should be excluded from the scope of matters with respect to which the proposed CPA may obtain review by the courts.

In our opinion none of TVA's decisions with respect to the administration and operation of its power system should be the subject of an action for judicial review instituted or participated in by the proposed CPA. The activities with respect to the power system which most directly affect the interests of consumers are the establishment of the rates at which power will be sold by TVA and the rates at which such power may be resolved by TVA's distributors to the consumers. As you know, the TVA Act requires that power be sold at rates "as low as are feasible," consistent with the requirement that the power program be self-supporting and that the interests of TVA bondholders be protected.

The language of H.R. 14 and H.R. 21 with respect to CPA's right to obtain judicial review of agency actions limits such right to those matters with respect to which the right of judicial review otherwise exists by law. As we indicated in the enclosure to our letter of September 27 to you, there are no statutes which provide for judicial review of specific TVA activities, but section 4(b) of

the TVA Act makes TVA generally subject to suit in its corporate name. Our General Counsel has maintained that TVA action with respect to the establishment of power rates is committed to the TVA Board's discretion and is not subject to judicial review. However, since this issue has never been finally determined, we think it would be desirable to provide in the proposed legislation that in no case would the proposed CPA be authorized to seek review or participate in court actions involving TVA power matters.

We appreciate your interest in this subject.

Sincerely yours,  
AUBREY J. WAGNER,  
Chairman.

#### AN AMENDMENT TO THE ENERGY EMERGENCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, at the appropriate time, I intend to offer an amendment to H.R. 11450, the Energy Emergency Act, which will help insure that the new car pool development program authorized in section 116 is coordinated with ongoing comprehensive transportation planning efforts in the larger metropolitan areas.

More specifically, my amendment would enable regional transportation planning agencies, operating under section 134 of the Federal-Aid Highway Act, to qualify for carpool funding.

In most metropolitan areas over a million population, the section 134 transportation planning agency, recognized by the Department of Transportation, is the areawide planning and coordination agency charged with the responsibility for undertaking comprehensive physical, social and economic planning for its metropolitan region.

Often these regional agencies span State lines. In the case of the Washington Metropolitan Area Council of Governments, parts of two States and the District of Columbia are covered. The Washington COG is currently operating a computerized car pool matching program. My amendment would enable the Washington COG to receive direct funding for its car pool system, provided that it continues to serve as the regional transportation planning agency under the terms of the 1973 Highway Act.

The areawide comprehensive planning agencies are usually composed of elected officials representing local governments within the metropolitan area. My district, Minneapolis, happens to be part of a metropolitan region whose areawide agency is organized somewhat differently. Our metropolitan council is an independent unit of government operating under State law. Its 15 members are appointed by the Governor of Minnesota. Transportation planning is only one of the council's wide ranging responsibilities.

Mr. Speaker, it is important for us to integrate new energy conservation efforts as effectively as we can with ongoing programs now operating on a State, regional and local level. In the field of transportation, a useful planning and co-



ordination mechanism has already been established through the section 134 planning process. Regional agencies are already at work developing more effective ways of meeting their areas' transportation needs. It makes sense for the new section 116 car pool program to be tied in with these efforts.

The proposed language of my amendment is as follows:

On page 46, line 2, after the period, insert the following: "Metropolitan transportation organizations responsible for carrying out Section 134 of Title 23, United States Code, shall be eligible to receive funds under this section."

#### PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CAREY) is recognized for 5 minutes.

Mr. CAREY of New York. Mr. Speaker, the House just voted on the Vanik amendment, including in title IV of H.R. 10710, requirements that the Soviet Union guarantee freedom of emigration to its citizens, in exchange for extension of U.S. credits and long-term financing of Soviet purchases.

I am one of the principal cosponsors of this amendment and the bill that preceded it. I voted in the Ways and Means Committee for its inclusion in the original bill. I have spoken often before the House on this important issue.

Immediately after voting on the Vanik amendment, which passed 319-80, I voted on final passage of the trade bill itself. However, during the vote on the Vanik amendment, even though I placed my card in the electronic voting slot, my vote in favor of the amendment was not recorded. I did not notice this until after completion of the vote. I was present and voted for the Vanik amendment.

#### THE COMPTROLLER GENERAL CRITICIZES ADMINISTRATION'S SWEEPING BILL (H.R. 11793) TO ESTABLISH THE FEDERAL ENERGY ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 15 minutes.

Mr. DINGELL. Mr. Speaker, earlier today, Mr. Elmer B. Staats, the Comptroller General, gave a very perceptive statement concerning the pitfalls of H.R. 11793—the administration's "Federal Energy Administration Act." I commend his statement to your attention and I urge that we defer action on this bill until next session, particularly since the FEA will be established on a proper legal basis by H.R. 11450 which we will consider later this week. His statement follows:

##### STATEMENT OF ELMER B. STAATS

I was pleased to respond to your request to present my views on H.R. 11793 which would establish a Federal energy administration, a proposal transmitted to the Congress only within the last few days. While I have not had an opportunity to analyze the proposal in an exhaustive manner, I have several comments which may be of assistance to the committee in its consideration of this proposal.

The function of the Federal Energy Administration as set forth in section 3 is a broad one, namely, for "assuring that adequate provision is made to meet the energy needs of the Nation for the foreseeable future." The administration would "plan, direct and conduct programs related to the production, conservation, use, control, distribution and allocation of all forms of energy." The Administrator would also act as the President's adviser with respect to domestic and foreign policy relating to energy matters. The proposal thus would provide in statutory form the general charter already provided for the Federal Energy Office established by Executive Order No. 11748 of December 4, 1973.

Needless to say, the authority which would be provided to the Administrator, taken in conjunction with the possible enactment of legislation along the lines of S. 2589, the proposed National Energy Emergency Act of 1973 as passed by the Senate, would be a most powerful one, indeed. The final judgment of the Congress is not clear with respect to the National Energy Emergency Act since similar legislation is yet to be acted upon in the House of Representatives. However, legislation along the lines of S. 2589 giving considerable authority and discretion to the President appears likely. It also appears likely that much or all of this authority would be delegated to the Administrator, thus placing tremendous power and responsibility in the proposed Federal Energy Administration.

##### NEED FOR A CENTRAL AGENCY

I do not question the need to have a focal point to deal effectively with energy shortages. I am nevertheless concerned about the sweeping language which is included in section 3(A). The bill would charge the Administrator with all aspects of energy, irrespective of the fact that many of the authorities are presently vested in other agencies—the regulatory agencies, the Rural Electrification Administration, the Tennessee Valley Authority, other parts of the Interior Department, and so on. As a suggestion, Congress may wish to consider limiting section 3(A) to powers and functions which would be authorized in the National Energy Emergency Act. This would still recognize in section 3(B) that the Administrator would serve as the President's adviser with respect to all aspects of the energy problem.

Section 4(A) and (B) of the bill would transfer the functions of certain agencies to the Federal Energy Administration. Section 4(C) of the bill as proposed by the administrator (but not included in H.R. 11793 introduced by Chairman Hollifield) would provide authority for the President to transfer to the administrator additional functions after notifying the Congress of such transfers. The transfers would become effective after 60 calendar days unless the House or Senate adopts resolutions disapproving them. I question the advisability of the inclusion of this authority. The Congress should have an opportunity to review the entire program again over the next several months to enable it to examine the need for reorganizations or additional authorities which may be recommended by the President.

In addition, the Congress has before it a legislative proposal for an energy research and development administration. Section 4(C) of the administration's proposal would make it possible for the President to transfer activities from the energy research and development administration to the Federal Energy Administration under the procedure specified. While the bill makes no reference to the Energy Research and Development Administration, I assume that the Congress does not intend that the Energy Research and Development Administration, if established, would become a part of, or be subject to, the direction of the Federal Energy Ad-

ministration without further congressional consideration. Language might be included in the bill to make this clear.

In short, I see no special need for section 4(C) authority and believe that it might complicate congressional consideration of the longer-term energy organization picture.

Also subject to question is the provision in section 4(C) of the administration's bill which would authorize the President to retransfer any function that was transferred to the Federal Energy Administration back to its former agency. Such retransfers should be subject to Congressional approval.

##### COORDINATION OF ENERGY DATA COLLECTION AND ANALYSIS

According to the background material accompanying the bill, the new agency would have the principal responsibility throughout the government for the collection and publication of energy statistics. The present energy data collection system is largely voluntary. The statement is made in the background material that "it is imperative that statutory authority exists to obtain whatever information may be required." The bill, however, does not contain language which would provide such authority.

The General Accounting Office is presently conducting a study of federal energy data collection for the Senate Interior and Insular Affairs Committee. A few preliminary findings and observations are relevant to the proposal before you.

We have visited 17 federal agencies comprising 47 bureaus, offices, divisions, and administrations which are collectors or users of energy data. We are in the process of identifying still others.

An analysis of Office of Management and Budget Information indicates that, as of March 1973, 15 major federal agencies were circulating 145 questionnaires and forms to private industry and states requesting energy-related data. The questionnaires consisted of some 11 million responses requiring respondents to spend an annual effort of about 3.6 million man-hours.

A great deal of data is already being collected by numerous Federal agencies to meet their own purposes. But there is a need for greater centralization of energy data collection.

Most of the data is reported voluntarily, except for that collected by the Federal Power Commission for regulatory purposes, for administering the leasing of Federal lands and the outer continental shelf for mineral exploration, and on imports. Thus, there is a need for statutory authority to require the reporting of needed energy data.

Questions are being raised about the credibility of existing energy data because it is reported voluntarily by industry and not verified. Thus, there is a need also for specific statutory support for systematic data verification. Credibility of the data on which policy decisions are based is essential to the successful operation of the new administration. Appropriate verification provisions in the legislation should provide the new agency with access to records and other documentation which private firms have in support of data reported to the Government, as well as access to records and other documentation which other Federal agencies have in their files as a result of their data collection.

The question of confidentiality of company data will have to be carefully considered. At present, all company data is considered confidential and, with very limited exceptions, only aggregate data is disclosed contributing further to the existing lack of credibility.

Provision should be made for GAO access to the same records and documentation for which the administration is provided access, thus providing Congress the assurance that independent reviews of the manner in which the agency is carrying out its data collection functions can be made.

## ADVISORY COMMITTEE

S. 2589 (section 310) would establish a National Emergency Advisory Committee of 21 members to advise the President in carrying out the provisions of that legislative proposal. The committee would have wide representation. I agree that the establishment of a committee of this type has merit irrespective of whether it remains in that proposal or is included as a part of the bill before the committee today. If it is to be considered in connection with this proposal, I suggest that you provide flexibility in its composition and size. I would also add a provision requiring the committee to be confirmed by the Senate. Senate confirmation would add stature to the committee and would enable the Congress to review its composition.

The overall importance of the legislation certainly justifies this type of consideration.

I believe the head of the Energy Research and Development Administration should be authorized to have an observer at each meeting of the advisory committee as is provided for the regulatory agencies in section 310 of S. 2589. An important function of such an advisory committee is to assure that interested organizations outside the Federal Government be kept fully informed and have maximum input into the decisions made under the statute.

## INTERAGENCY COORDINATION

The background material accompanying the President's proposal states that the new agency would be charged with facilitating the implementation of the President's program to develop the capability for national self-sufficiency in energy supplies. This would be accomplished, among other things, by expediting the Alaska pipeline construction; accelerating the leasing of the outer continental shelf, coal, and shale lands; expediting the construction of nuclear and non-nuclear power plants and energy facilities; and facilitating increases in coal production. The legislation does not include language indicating how this responsibility will be carried out and/or coordinated with agencies which retain program responsibilities such as the Department of the Interior and the proposed Nuclear Energy Commission.

For this reason, I believe that an inter-agency national energy policy council should be established to advise the President and the administrator of the Federal Energy Administration. The head of the proposed energy research and development administration most certainly should be a member of any such council. I would assume that the head of the Cost of Living Council and the administrator of the Environmental Protection Agency would similarly qualify as members.

The administration's proposal contemplates the transfer of the functions of the Cost of Living Council as they "relate to or are utilized by the energy division of the Cost of Living Council." While I am certain that the proposed agency would need to have a capability of making analyses of the effect of price adjustments upon the supply and distribution of energy, it is not at all clear to me why the function of the Cost of Living Council needs to be or should be transferred. I do not believe it practical or desirable to separate out energy price determinations from their effect on the cost of energy and hence other parts of the total cost of living program.

The roles of both the Cost of Living Council and the Environmental Protection Agency are particularly important. While national policy should dictate that all practical steps be taken to increase production of energy and improve its distribution, there are obviously two other major objectives which are at least partially in conflict, namely to minimize price increases and to protect the environment. How should this potential conflict be dealt with in this legislation?

One alternative would be to give the Environmental Protection Agency and the Cost of Living Council a veto over the actions of the federal energy administration, perhaps within a specified time limit.

Another alternative would be to require any disagreements to be made the subject of public hearings and/or a requirement to have the matter lay before the Congress for a specified period of time before becoming effective.

As a minimum, the statute should specify that actions affecting prices and changes in environmental standards be taken only after consultation with the Cost of Living Council and the Environmental Protection Agency and reporting thereon to the Congress.

Attention is called to section 206 of S. 2589 which would require full conformity to the provisions of the National Environmental Policy Act of 1969 if actions are taken which would extend beyond a period of one year.

Also relevant is section 311 of S. 2589 which would require any agency performing functions under the act to hold public hearings if the agency, in its discretion, determines that such actions "are likely to have a substantial impact on the Nation's economy or large numbers of individuals or businesses."

Section 5(9) would authorize the Administrator of the Federal Energy Administration, subject to appropriation acts, to enter into and perform contracts, leases, cooperative agreements, or other transactions with any public or private agency or person. This language referring to "other transactions" seems overly broad, and it may be desirable to specify exactly what is intended by the legislation if the Federal Energy Administration is to be empowered to make loans or grants.

The bill does not include authority of the Comptroller General to audit the records of contractors, grantees and other recipients of funds provided by the new agency under section 5(9). Such authority should be provided.

## CONCLUSION

In summary, I favor legislation to strengthen executive branch leadership in energy programs and believe that a Federal Energy Administration, as modified to incorporate the proposals which I have made, would do this. It should not, however, be considered as a long-run substitute for a department which would embrace related natural resources functions. The energy and the natural resources problem are going to be with us for a long, long time and I do not believe that anyone should feel that we have the ultimate organizational solution in this proposal. The authority of the Administration should be temporary in nature and subject to further review by the Congress during its next session.

That there is an energy emergency is beyond question. The actions flowing from the emergency to date have been tentative for the most part and much needs to be done by way of additional planning. All this adds up to my mind to the need for approaching any long-term organizational arrangement cautiously and to proceeding on the basis that the life of the organization should be limited and subject to review in the light of changing circumstances. I would, therefore, favor limiting the life of the Administration to one year.

To underscore the interim or temporary nature of the agency, the title of the enactment might be changed to the "Temporary Energy Act of 1973," or the "Federal Emergency Administration Act of 1973."

## PRESIDENTIAL CAMPAIGN FINANCING ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I am today introducing a second version of a bill I had earlier this year introduced, the Presidential Campaign Financing Act of 1973.

The bill, which is similar to the measure I first introduced on September 20, 1973, would provide for public financing of presidential primary and general elections. Most of the changes in the bill are simply technical modifications of the first version.

A companion to the bill I am today introducing has also been introduced in the Senate by the distinguished senior Senator from Minnesota, the Honorable WALTER F. MONDALE, and the distinguished junior Senator from Pennsylvania, the Honorable RICHARD S. SCHWEIKER.

Mr. Speaker, this bill would provide for a mix of private and public financing for presidential primary elections by authorizing matching Federal grants for the first \$100 or less received from each contributor. To avoid Federal grants to frivolous candidates, candidates would be required to accumulate \$100,000 in matchable contributions before receiving Federal funds. Overall primary expenditures would be limited to \$15 million per candidate and Federal matching payments would be limited to approximately \$7 million.

For general elections, the dollar check-off system under existing law would be retained and strengthened by doubling the existing checkoff from \$1 (\$2 on a joint return) to \$2 (\$4 on a joint return).

Major party candidates would be entitled to receive checkoff funds of approximately \$20 to \$22 million. Minor party candidates or new candidates would be entitled to receive a proportionately smaller share of public funds. Candidates would be permitted to receive private contributions of up to \$3,000 or less in order to supplement Federal funds. The bill sets an overall spending limit of \$30 million in the general election.

Mr. Speaker, the abuses of Watergate, and the other abuses which continue to be uncovered, underscore the importance of removing the corrupting influence of big money from our elections. The bill I am introducing today to provide public financing of Presidential elections is, in my opinion, the essential first step in that process.

Mr. Speaker, the principal features of this bill were added, through the leadership of Senator MONDALE, the distinguished Senator from Massachusetts, the Honorable EDWARD M. KENNEDY, and others, to the debt ceiling legislation by the Senate on November 27. These provisions were also the principal elements of a tentative House-Senate compromise to add a modest public financing amendment to the legislation. However, approval of that compromise was killed last week by a Senate filibuster.

I am pleased to note that the Committee on House Administration has begun work on a comprehensive campaign reform measure and that the distinguished chairman of the committee, the Honorable WAYNE L. HAYS, has indicated he



hopes to have this bill ready for floor action early next year.

Mr. Speaker, public financing of elections is a necessary element of campaign reform, and I am hopeful that the committee will consider including the bill I am introducing today as a part of that comprehensive package.

Mr. Speaker, I include at this point in the RECORD a summary of the major provisions of my bill:

DETAILED EXPLANATION: REVISED BRADEMANS  
PRESIDENTIAL CAMPAIGN FINANCING ACT OF  
1973

#### I. CONTRIBUTION LIMITS FOR PRESIDENTIAL CAMPAIGNS

A. No individual, organization, or group may contribute more than a total of \$3000 to any Presidential candidate in connection with his or her campaign for the nomination, and another \$3000 in connection with his or her general election campaign.

1. Contributions given in any year "in connection with" a campaign count toward the limits for the year in which the election is held.

B. Individuals or groups acting independently (i.e., without written authorization from the candidate) may spend no more than \$1000 on behalf of a candidate in the prenomination period (a similar limit in the existing \$1 check-off law already applies to the general election period).

#### II. GENERAL DISCLOSURE PROVISIONS

A. The equal time provisions are removed for Presidential candidates.

B. Each candidate is required to set up a single central campaign committee to handle reporting of receipts and expenditures, and a single campaign depository through which all receipts and expenditures must be channeled.

C. All cash transactions (contributions or expenditures) of \$50 or over are prohibited.

D. The existing tax credit is doubled to make it one-half of any contribution up to \$50 (\$100 for joint returns), and the existing deduction is doubled to \$100 to (\$200 for joint returns).

E. Earmarking contributions as prohibited.

F. The penalty for misdemeanor violations of the Federal Election Campaign Act of 1971 (now \$1,000 and/or one year imprisonment) is increased to \$10,000 and/or one year in prison, and knowing violations are made a felony punishable by a fine of up to \$100,000 and/or imprisonment for up to five years.

G. Embezzlement or conversion to non-campaign use of political contributions is made a felony punishable by a fine of up to \$50,000 and/or imprisonment of up to five years.

#### III. PRIMARY ELECTIONS

A. Each candidate in the Presidential primaries is entitled to matching payments from the Treasury for the first \$100 or less received from each individual contributor.

1. Payments begin 14 months prior to the date of the general election for President.

2. Any contribution made "in connection with" the candidate's campaign for nomination, in whatever year it occurs, is eligible for matching. However, all such contributions are aggregated, and no more than \$100 from any contributor may be matched.

B. Candidates must accumulate \$100,000 in matchable contributions before the first Treasury matching payments are made. Thus a candidate would have to accumulate 1000 contributions of \$100 each, 2000 contributions of \$50 each, etc. Only the first \$100 of each contribution counts toward meeting the \$100,000 requirement.

C. No candidate may receive total matching payments in excess of 5¢ for each person over 18 in the United States (roughly \$7 million).

D. No candidate may spend more than \$15 million in his campaign for the Presidential nomination. This limit increases with cost of living increases.

E. Matching payments may be used only for legitimate campaign expenses during the pre-nomination period, and unspent payments must be returned to the Treasury.

F. The Comptroller General certifies eligibility for payments, and is responsible for conducting a detailed post-convention audit and obtaining repayments when necessary.

G. There are severe criminal penalties for exceeding the overall primary spending limits, and for unlawful use of payments, false statements to the Comptroller General, and kickbacks and illegal payments.

#### IV. GENERAL ELECTION

A. The existing Presidential Election Campaign Fund Act (the \$1 check-off) is retained, with the following amendments:

1. The requirement for a separate appropriation before money from the \$1 check-off Fund becomes available is removed, making the check-off self-appropriating.

2. The amount of the check-off is doubled from the existing level of \$1 (\$2 on a joint return) to \$2 (\$4 on a joint return).

3. Candidates are permitted to receive and spend private contributions of \$3000 or less (see III., below) to supplement the funds they receive from the \$1 check-off, up to a maximum overall spending limit in the general election of \$30 million.

a. Under the existing \$1 check-off law, major party candidates may not use private contributions at all if they receive their full entitlement from the check-off (15¢ per eligible voter, or roughly \$20-22 million), and minor and new Party candidates may use private contributions only to make up the difference between the smaller amount they receive from the check-off and the amount major party candidates are entitled to. (If the funds in the check-off are not sufficient to provide major party candidates with the full amount they are entitled to, they also may raise private money to make up the difference.) All candidates using the check-off money are thus limited to spending no more than \$20-22 million in the general election. Those who accept no check-off money, however, may spend an unlimited amount in the general.

b. The \$30 million limit on total spending in the general election imposed by this bill applies to all candidates (including those who decline their entitlement from the check-off), and therefore leaves no incentive for a candidate not to use the check-off. The \$30 million limit would increase with cost of living increases.

c. The \$30 million limit would permit major party candidates to supplement the \$20-22 million they receive from the check-off with \$8-10 million from private contributions of \$300 or less. This  $\frac{2}{3}$  public,  $\frac{1}{3}$  private, ratio would continue as cost-of-living increases raised the \$30 million spending limit, and as population increases raise the amount major party candidates may receive from the check-off (15¢ times the voting age population).

d. Minor and new party candidates could receive a larger proportion of their funds from private sources to make up for their smaller entitlement under the \$1 check-off but in no case could their total spending exceed \$30 million in the general election.

B. Payments to candidates are distributed in accordance with the existing law, i.e.:

1. Major party candidates (those whose party received 25 percent or more of the vote in the previous election)—15¢ times the 18-and-over population of the U.S.

2. Minor party candidates (those whose candidates received between 5 and 25 percent of the vote in the previous election)—a percentage of the major party candidate entitlement equal to the percentage of the average major party vote their candidate received in

the preceding or current election (whichever is larger).

3. New party candidates—if the candidate receives more than 5 percent of the vote in the current election, he is repaid after the election according to the percentage of the average major party vote received.

C. The Comptroller General certifies eligibility for payments and is responsible for conducting a detailed post-convention audit and obtaining repayments when necessary.

D. There are severe criminal penalties for exceeding the overall general election spending limit, and for unlawful use of payments, false statements to the Comptroller General, and kickbacks and illegal payments.

#### A NEW ERA IN UNITED STATES— LATIN AMERICAN RELATIONS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, last week Kenneth Rush, the very able Deputy Secretary of State, gave a major address in New York City on the changing nature of U.S. relations with the other nations of the Hemisphere. Because of the importance of Secretary Rush's remarks I want to take this opportunity to call his speech to the attention of all Members interested in Latin America and the Caribbean.

#### A NEW ERA IN UNITED STATES—LATIN AMERICAN RELATIONS

(Speech by the Honorable Kenneth Rush  
Deputy Secretary of State)

I am greatly honored to have been invited to address this distinguished group of leaders in the private sector. As you know, much of my working life has been in the world of business, and with an international emphasis. So I feel particularly at home addressing this group.

I have now spent over four years in Government, first in Germany and more recently in Washington. I recall that when I was in the private sector, I used to get impatient at times with "those people down in Washington". I couldn't understand why those bureaucrats couldn't solve some of our problems quicker. The solutions seemed pretty obvious to me. After becoming a Government official myself, I was surprised to see how suddenly the problems had become much more difficult.

I would like to talk to you today about relations between the United States and the countries of Latin America and the Caribbean and would like to suggest to you how our policy toward the Americas fits into the President's general approach to foreign affairs.

What we have been trying to accomplish in our relations in the Hemisphere is consistent with the very successful conduct of our foreign policy in other parts of the world.

#### THE HISTORICAL UNITED STATES—LATIN AMERICAN RELATIONS

Before discussing this Administration's policy toward Latin America and the Caribbean, a little history might help us put things in perspective.

Our relations with Latin America have been close and for the most part constructive. That is not to say that the course of those relations have always been smooth. Generally speaking, the closer people live together, the more contact they have with one another, the more likely it is that there will be problems. We see this in families and in communities. But it is also true that the rewards of belonging to a family and a community are very great.

I think it is a tribute to the nations of

this Hemisphere that we have been able for more than a century to face our common problems in a spirit of conciliation and cooperation. Indeed, the countries of the Americas have constructed over time a series of treaties, agreements and institutions that have broken new ground in international relations.

This achievement has been all the more remarkable because one of the difficult facts of life in the Western Hemisphere has been that one nation—our own—has achieved political, economic and military power to a degree which has overshadowed that of all other American Republics. The Inter-American System has been by and large successful over the years in reconciling the greater power and resources of the United States with the principle that all members of the inter-American community are sovereign and equal states.

This achievement of the inter-American community has been based upon a consensus that the relationship between the United States and the countries of Latin America and the Caribbean has been of value to all parties.

For the Latin Americans, the relationship has afforded them the protection of the United States against military aggression from outside the Hemisphere. It has also provided them with economic assistance from the United States.

From the U.S. point of view the relationship has also provided benefits. The other American nations have stood by the United States in its global struggles. The United States has also valued the inter-American relationship because through it we have been able to pursue our national interests by means of consultation, negotiation and compromise, rather than by unilateral action.

I am aware that some people would add to the list of U.S. benefits American economic penetration. In my judgment this is a misreading of history. U.S. policy toward Latin America has traditionally been dictated by strategic and political considerations. Our economic expansion in the Western Hemisphere, as elsewhere, has been spontaneous.

As I have said, the success of the Inter-American System has been based upon a consensus among the members of the system as to the principles and goals which should govern their relationships with one another, and particularly the relationship between the United States and the rest of the American community. I think it is fair to say, however, that the rapid changes that have taken place in the world in recent years have tended to erode the Western Hemisphere consensus. Let me quickly review some of these changes on the global scene and how they have affected inter-American relations.

First, with the success of President Nixon's policy of détente with major adversaries, the threat of aggression or subversion from outside the Hemisphere has seemed in the eyes of many Latin Americans to have receded.

Second, new doctrines about national security have taken hold in many Latin American countries. These new concepts hold that national security depends primarily upon their countries' economic and social development, and only secondarily on conventional defenses against foreign military invasion. This has led some Latin Americans to the view that economic cooperation which they receive from the United States should be obligatory and unconditional.

Third, there are some Latin American nations whose economic development has been so rapid that they are moving out of the ranks of the underdeveloped and closer to the status of developed countries. In other words, there is much greater diversity among Latin American nations in regard to their needs and objectives with regard to the United States.

For our part our attitudes toward Latin America have also been affected by the

changes in the world, in the Hemisphere, and in our own position. We have come to realize that we no longer have a monopoly on economic power and that our resources are not unlimited. The rise of Western Europe and Japan to the status of economic superpowers means that Latin America and the Caribbean should look, not just to the United States but to all developed countries to provide the extra resources that the region needs for its development.

We have also come to appreciate the difficulty in devising one monolithic policy or set of policies for a group of twenty-three countries whose stages of political, economic, and social development are so diverse and whose relations with us vary so widely.

Finally, we have come to recognize that we cannot separate our many interests in the area one from another, that what happens in one arena—the seizure of a fishing boat or the expropriation of an American enterprise—affects our interests in another area—economic development, for example.

If I were to sum up these changing perspectives in Latin America, and the United States, I would say that Latin America's perception of its relationship with the United States has been shifting rapidly away from traditional security and political interests to focus on greater and broader economic interests, at the same time that the U.S. ability to provide even greater and unconditional economic benefits has been declining. The possibilities for misunderstanding in this situation are evident.

Moreover, there has been for many years a growing dissatisfaction among Latin Americans and North Americans with the paternalistic aspects of their relationship. The dilemma which the American Republics have faced for some time has been how to reconcile Latin America's increasing needs for development assistance, new technology, and expanding foreign markets with the desire on both sides of the Equator to do away with any U.S. paternalism which might be associated with the provisions of that assistance.

#### THE RESPONSE OF THE NIXON ADMINISTRATION TO THE CHALLENGE

These trends were already at work when President Nixon assumed office in 1969. Although some of these changes were at best dimly perceived at that time, the President, with his intuitive grasp for the underlying currents in international affairs, saw the challenge. In his landmark speech on Latin America in October 1969 he faced that challenge squarely. He called for an end to paternalism in the relations between the United States and Latin America and the Caribbean. He asked for a new kind of relationship—a mature partnership.

This approach of the President to relations with the rest of the Americas has been entirely consistent with his general foreign policy. This policy is based upon the following principles:

1. Cooperation between the United States and its allies must be based upon a mutual perception of common interests, not a patron-client relationship.

2. Nations should take the lead in resolving those problems which are of primary concern to themselves. The United States cannot take more responsibility for another nation's problems than that nation itself is willing to take.

3. The role of the United States should be supportive. That is, it should supplement the efforts of other nations, not dominate them.

4. Our objectives can best be achieved through negotiation rather than confrontation.

The implications of this approach for U.S. relations with Latin America and the Caribbean were spelled out by the President in his 1969 address. They can be summed up as a greater degree of Latin American initiative and much less U.S. suggestions or direction

as to Latin Americans' political, economic and social policies. The President pledged continued and broader U.S. support for Latin American development. This support, however, was to be based upon a recognition by both sides of mutual rights and obligations, rather than some sort of noblesse oblige by the United States.

The President's address of four years ago was a statement of intention on our part and a series of goals. The most important goal was a new relationship based on equality. The President did not, indeed could not, provide a blueprint as to how this new relationship was to be achieved. That would have to be worked out as the United States and Latin America faced specific issues. In a sense the past four years have been a search—a quest by the United States and the other countries of the Hemisphere for a new basis for their relationship.

We must be frank to recognize that that search has at times been impeded by events. There have been problems on both sides:

With the decline of the security threat in Latin America, the U.S. public has not seen clearly the basis for massive U.S. interest and involvement in the area.

Our economic difficulties—particularly the deficits on our balance of payments and of trade and the devaluation of the dollar—have reduced Congressional support for economic assistance. These problems also have caused a delay in introducing trade legislation of benefit to Latin America.

Preoccupation in the United States with crises in other parts of the world has tended to hamper the dialogue between North American and Latin American leaders—and yet a dialogue is essential if a new relationship is to be forged.

Sometimes our Latin American friends have not given sufficient weight to the enormous problems the United States has had to face in recent years. They have tended at times to cling to old ways and old assumptions. When the U.S. has not responded promptly and fully to their demands, some have charged us with willful neglect or disinterest. Some have attempted to use inter-American agreements to legislate, rather than negotiate, U.S. policies.

#### TOWARD A NEW DIALOGUE

These problems in working out a new relationship with our friends and allies in Latin America and the Caribbean have not gone unnoticed by this Administration. At the President's request, Secretary Rogers visited eight countries in Latin America and the Caribbean last May. He talked fully and frankly with the leaders of the region.

When Secretary Kissinger was nominated for his present post, he put Latin America high on his agenda and said so to the Senate Foreign Relations Committee during his hearings. He said he intended to reinvigorate our relations with the Latin American countries. Only a few days after his confirmation, the new Secretary spoke to a number of Foreign Ministers and Ambassadors from Latin America and the Caribbean during the United Nations General Assembly in New York. He told them that he was undertaking an in-depth review of our policies and programs in Latin America, and he invited them to a dialogue on the issues in U.S.-Latin American relations.

The response to the Secretary's invitation to a dialogue was rapid and gratifying. At the initiative of several Foreign Ministers and particularly the Colombian Foreign Minister, a meeting was held in Bogota in mid-November to discuss an agenda for the new dialogue with the United States. From our observation, the tone of the discussions at Bogota was elevated and constructive. The agenda which the Latin American and Caribbean Ministers and their representatives have proposed faces difficult issues in their countries' relations with the U.S. frankly and squarely.



But the issues are posed as subjects for dialogue and negotiation, not recrimination or confrontation. The Foreign Minister of Colombia met with the Secretary in Washington last week to present to him the agenda agreed upon at Bogota and to invite the United States to add to that agenda. It has been agreed that the Secretary and his colleagues from Latin America and the Caribbean will meet in Mexico early next year to begin what we fully expect will be a continuing dialogue on the great issues facing the Americas.

The new relationship between the United States and the other members of the American community can only be worked out as specific issues are faced, discussed, and resolved. I can tell you that the President, the Secretary of State, and I are personally committed to a vigorous effort to do our part in making the new dialogue fruitful.

In this connection, I would like to express the appreciation of the Administration to this Council for its constructive efforts to make an input to the U.S. Government's review of its Latin American policy. The recommendations which you have recently made and the study groups you have created are a valuable contribution.

It is not my purpose today to try to outline the form and content of the new relationship in detail. But I do believe that the President's basic foreign policy approach which I have outlined earlier provides the basis for a few comment on some principles which might guide the new U.S.-Latin American relationship. I would sum up those principles in two words:

#### INTERDEPENDENCE AND RECIPROCITY

First, Interdependence:

Interdependence is not dependence.

Interdependence is each party in the relationship needing the others, and feeling that need with comparable intensity.

In the past, Latin America may have felt its need of the United States more intensely than we have felt our need of Latin America. We have needed Latin America, but that need was partly in hard-to-measure, almost intangible terms of psychic security—knowing that Latin America was "on our side". Latin America's need for us, in contrast, has been in the concrete, visible terms of trade, aid, and military protection. Hence the seeming dependence in the relationship.

It does not take much imagination these days to see how that situation will change.

Latin America is an important source of raw materials. In the old days, that was a problem for Latin America. The supply of primary commodities chronically tended to outrun demand and the producing countries searched for ways to avoid depressed prices. The old days have gone—perhaps forever. This country needs Latin American raw materials, food and energy resources.

This country also needs expanding markets for its exports. It used to be that the balance of payments took a poor second place to our domestic economy. We have learned the hard way that we have to give priority to keep our balance of payments healthy. Latin America already is an important market for U.S. exports—the most important market outside Canada, Western Europe, and Japan. Several of the Latin American countries rank among our top 12 export customers. Equally important, if Latin America as a region can fulfill its aspirations for sustained economic growth, its import needs may well grow faster than those of developed countries.

Finally, we are increasingly looking to earnings on our foreign investment to make up some of the balance of payments gap. Over 18 percent of U.S. private foreign investment is located in Latin America.

So, Ladies and Gentlemen, we need Latin America's raw materials and its markets.

Latin America, in turn, needs our capital, our technology, and our markets.

In addition to these economic ties between the United States and Latin America, there are bonds of friendship and of common values which date back to the founding of our nations.

I suggest to you that this mutual interdependence should provide the underpinnings for a new, equal, mature relationship.

This leads me to my second principle—Reciprocity.

Reciprocity is the *sine qua non* between equals. It is fundamental in a relationship of equality that each side believes that its interests and rights are being respected by the other side.

If the countries of Latin America take the position that, because of their relative weakness, the United States should not expect reciprocity, they will be perpetuating a paternalistic relationship.

Let me emphasize that I am not suggesting that the United States expects to receive a quid pro quo in kind for every economic benefit it extends to Latin America. We have already agreed that in trade, for example, LDC's should not be required to reciprocate fully trade concessions from the developed countries.

What I am suggesting is that when we believe a legitimate American interest is being jeopardized or injured by a Latin American government's action we should be given an opportunity to seek some redress of our grievances.

In the vast majority of cases, we do receive that consideration and our interests are given fair consideration. But conflict situations have arisen in which there were important principles at stake on both sides and in which we have felt that we were being asked to sacrifice our interests without any willingness to make concessions on the other side.

We do not expect that our view will always prevail, but we do believe we should be afforded the same consideration that a Latin American government would expect to receive should the situation be reversed. That is true reciprocity.

Interdependence and reciprocity. These are principles which guide American foreign policy, and they provide a firm basis for the New Dialogue and the New Era in United States-Latin American relations.

#### TYRANNY IN GREECE

(Mr. MADDEN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MADDEN. Mr. Speaker, John Anastaplos of Hammond, Ind., and news broadcaster for the Hammond WJOB radio station has forwarded to me excerpts from a question and answer broadcast which he had with his brother, Col. George Anastaplo, the colonel a lecturer in the liberal arts at the University of Chicago and professor of political science at Rosary College in Chicago.

Both brothers are of Greek descent and are very much interested in the freedom of Greece and its people. Prof. George Anastaplo has been a visitor to Greece and a student of Greek history and government. His answers in his brother's broadcast reveal some illuminating facts as to governmental conditions in Greece at the present time. This broadcast was recorded on November 21, 1973.

#### DREADFUL DAYS IN ATHENS: GREEK MASSACRES AND AMERICAN MISJUDGMENTS

(By George Anastaplo)

Q. We have as our guest this morning my brother, George Anastaplo, who teaches at Rosary College and the University of Chicago. He is particularly knowledgeable in contemporary Greek affairs and has published several articles on that subject. Well, George, what is going to happen in Greece? Can students fight tanks and arms with broom handles and sticks?

A. I don't think it's going to depend on that. I think the obvious need of the present Greek government to use tanks and arms to control popular discontent will eventually undermine its standing, both at home and abroad, in such a way as to lead to its downfall. It doesn't mean that people actually have to overcome tanks. They only have to show that they don't want the tanks there in the control of the characters who are now trying to run the country.

Q. Is the present trouble going to abate?

A. It's hard to say, John. There will probably be ups and downs: there will be quiet periods and then there will be eruptions. I think that periodic eruptions are inevitable because of the character and standing of the present Greek government—that is to say, its bad character and its very flimsy standing. Trouble is built into this regime and it will be very difficult for it to continue without repeated disturbances of a kind that raise serious doubts about the legitimacy of the entire enterprise.

Q. Have you heard the latest news this morning?

A. I've heard that three political leaders in Athens have been placed on House arrest.

Q. That's right. And nine Greek universities have been closed until December 10th.

A. This is what happened last year, too. There were student uprisings and some universities were closed the last part of the academic year. Now universities are again being closed intermittently. There are two things of interest about this. One is that construction and other labor organizations have also been involved to a significant extent in this latest uprising.

Q. That is the "hard hats," as they are called?

A. "Hard hats" is what they would be called in this country: construction workers and others. In addition, it has to be remembered that in Greece most students live at home—so this is not merely campus discontent we are witnessing; this is general discontent which is spilling over on to the campuses, and in Athens.

Q. Why would construction workers be involved? I understand that they are among the best paid workers in the country.

A. They tend to be more organized politically in Greece than other workers and thus are more likely to be critical of this regime.

Q. Is it an exaggeration to say that these workers average about thirty dollars a day?

A. I really don't know what their wages are, John. But I do know that the general problem feeding public discontent, aside from the repressive character of the regime, is the very high rate of inflation in Greece today, far more than here. This has had serious effects upon the morale of the country at large. I am sure this inflation is raising serious questions about the desirability of this regime. The economic chickens, so to speak, are coming home to roost—the short-sighted, even demagogic, economic policies this government has pursued for the last six years.

Q. Has the former premier encouraged the student protest which has erupted this past weekend?

A. One former premier, Panayiotis Kanelopoulos, is one of those who have just been placed on house arrest. He has supported the students. I would not say that

he has encouraged any particular outbreak. But he has certainly lent moral support to student opposition. He himself has been in opposition from the beginning.

Q. When was he ousted from power?

A. In April 1967. He was prime minister, as a member of the conservative party, when the colonels took over.

Q. Have you ever talked to him?

A. I've talked to him a few times.

Q. In Greece, or out?

A. He's been in Greece since 1967. That is, he was there when the colonels took over and he has remained there ever since. He has refused to leave Greece while the colonels remain in power.

Q. What kind of a man is he?

A. He is really a gentleman-scholar of an old political family, a quite distinguished author and historian—a man who has been interested in politics for many years. He's not a rabble-rouser but a rather calm, moderate man. He has remained in firm opposition to these characters ever since they seized power in 1967.

Q. You keep calling them "characters." Is there a reason you keep using that word?

A. These are army officers of bad faith, men who violated their oaths of office and their duties. They felt they could run the country better than anyone else. They have now led their country down to this rather miserable state of affairs. If you remember, the troubles they took over to put a stop to it 1967 were the repeated demonstrations and disturbances during two years of constitutional crisis. But throughout that two year period, which many apologists for the present regime will tell you were awful for Greece, only one man was killed: a student was accidentally killed during a demonstration in the summer of 1965. Then these characters seized power, supposedly to restore law and order and to insure economic stability. Well, the Greeks now have a remarkable inflation, far more than anything they suffered from in the period immediately prior to 1967; and now they also have repeated disturbances, with at least a dozen people killed in a matter of a week, to say nothing of others who might have died under torture or for other reasons during the past six years.

Q. You have talked to King Constantine in Rome and to former Premier Karamanlis in Paris. What do they say?

A. I haven't read anything that they have said the last week.

Q. But you have talked to them in person, when you have been in Europe, since the colonels took over in 1967. What are their sentiments?

A. I think all of the major political leaders in Greece—all those who have ever been put in power legitimately by the Greek people—have been in serious opposition to these characters. The politicians have never approved of what these characters have done. They have never said that these characters are legitimate. Instead, they have indicated that nothing but bad can come out of this continued usurpation.

Q. Does Constantine feel that he will eventually go home as King?

A. I am sure he hopes to be King.

Q. Does he think that is going to happen?

A. I have no way of knowing what he really believes. But the point is that all of the political leaders of Greece, the legitimate leaders of Greece, are in opposition to these characters, whether these leaders are of the Right, of the Left, or of the Center. That has been their constant theme since 1967. Greece does have at this time a civilian prime minister serving under a colonel who has made himself president. Now this civilian prime minister had never had any serious political following on his own in Greece: he never had more than two or three seats in Parliament belonging to his party.

Q. Is this Markezinis?

A. Yes. He had no political prospects. So he felt he could afford to take this chance to become prime minister. He knew he would have no other chance. Well, he should have realized that he would not be prime minister in fact but only in name. The so-called president of the country reserved to himself critical powers, including the power to control internal security. It has been the president who has been making all the decisions and all the announcements this past week, who has been ordering the police and army out into the streets of Athens, who has been justifying the killings. It has not been Mr. Markezinis. Mr. Markezinis has been very quiet, even though he is a usually a most talkative fellow. There have even been rumors that he has tried to resign.

Q. George, here is a report from United Press International: "Exiled Greek actress Melina Mercouri said this morning, 'The United States was responsible for the death of those student demonstrators during the anti-government disturbances in Athens.' At a news conference in Paris today, Miss Mercouri read a telegram sent to the U.S. Secretary of State Kissinger. In that telegram she said, 'It was your tanks that crushed the bodies of our young people. You are the enemy of the Greek people.' The United States said after the clashes that it would continue supplying arms to Greece, a member of the North Atlantic Treaty Organization. Miss Mercouri lost her Greek citizenship after making statements critical of the Greek military-backed regime." Do you want to comment on this report?

A. Well, let me say this, John. The opinion Miss Mercouri is expressing about American responsibility for the Greek tyranny is the opinion that many Greeks will have, for many years to come. But this was to be expected. This was exactly the sort of thing that several of us, over the last six years, have been warning against. We have been saying that there was no question but that one result of our playing footsie with the colonels, as we have done since 1967, would definitely be the loss of the significant American influence in Greece. Such a loss has already been foreshadowed in the fact that during the recent demonstrations one of the principal slogans of the students was, "Out with the Americans." I am sorry to say that it will be very, very difficult for any political regime that follows the colonels—for any regime which has to depend on public opinion—not to make something of a break with the United States by getting American bases out, by reducing the longstanding reliance by Greece upon American power, American arms, and American investments, by revising significantly the American alliance. On the other hand, our official experts in Washington—in the State Department and the Pentagon—who have been arguing for more than six years for this alliance didn't get what they wanted from it during the recent Middle Eastern crisis. What they had assured us was that the Greece of the colonels could be depended upon by the United States.

Q. Why have you been declared persona non grata? And how long has that been?

A. I was declared persona non grata three years ago by the colonels because I was saying the sort of things I am saying to you this morning. What I was warning against was that American policy in Greece was bound to hurt legitimate American interests in Greece and that that policy could not help the Greek people—that we were backing the wrong horse, that we were making a terrible mistake which we would have to live with for many years. I think we are now seeing a growing realization even in Washington of how serious a mistake we have made, although we are now far less in a position to do anything about it than we would have been several years ago when the

colonels were much more obliged to defer to us than they are now. In short, we now find them less useful, more dangerous, and generally more harmful.

Q. Is there a likelihood you will return to Greece while the military junta remains in power?

A. It's highly unlikely. The "constitutional" changes which have been publicized in recent months have not really meant anything serious. It was quite evident, to anyone who thought about Greek affairs, where the power remained in Athens. It remained with Colonel Papadopoulos and the military units he controlled.

Q. When you say, "loyal to the Constitution," that means, of course, loyal to King Constantine?

A. To King Constantine as a constitutional figure. The point is that the characters now in power in Greece cannot help but continue under a cloud of illegitimacy. They came in by usurpation; they remain by fraud and by force. There's nothing else that can keep them there. Even they can no longer doubt that they would be swept out of power tomorrow if certain units of the army were not available to protect them. Things can't continue this way indefinitely, of course. Serious problems exist, not the least of which is that the colonels don't know what they are doing—and so they are prone to panic when pressure is put on them. We should not be surprised by this: there is no reason to believe that army officers who had never been active in political life but only in conspiracies, who had never had to regulate the economic and social life of their country, who had never been trained the way politicians are trained by their superiors and by their experience, by taking part in the political activity of the country—there is no reason to believe that such naive officers would know what they are doing.

Q. Thank you, George. Our time has run out. We must talk again sometime soon.

A. Thank you, John. We must, indeed. Let's hope we have better news to talk about next time.

#### THE ALL-VOLUNTEER ARMY—ON ONE TARGET, OFF ANOTHER

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, last week the Secretary of the Army announced that for the first time in 10 months the Army had hit the target on recruiting. The Secretary said Army recruiters signed up 102 percent of the monthly objective of 12,900 for November. This objective had been established in July as the number of non-prior-service males necessary for the Army to recruit in November.

While Army recruiters should be commended for this effort, it is essential that the Members be aware of the Army's makeup objective. Since the Army had not been able to enlist the numbers of men needed from July through October, the makeup objective was actually 15,900 or 3,000 men higher than the 12,900-man goal previously established. Measured against the Army's manpower requirements, the recruiters managed to sign up only 82.4 percent of their objective for November.

There is a possibility that the results of the present month may show some increase since, effective the first of December, the Army has been authorized



to pay all its recruiters a \$150 per month incentive. The other services have also been authorized this incentive payment, but only for those recruiters who have demonstrated their productivity. I can assure those Members who might question this policy that the matter will be fully explored with the Assistant Secretary of Defense for Manpower at a briefing later this week.

Mr. Speaker, I think it important to note that, in spite of all that has been done to make military life more attractive and adequately compensated, and in spite of vigorous recruiting efforts on the part of all Army personnel, the year-to-date results are less than 80 percent of the Army's requirements for nonprior service males. However, the November results suggest that the Army may be

able to reach its monthly objectives even though it will have problems making up for past shortfalls. Only the next few months will reveal whether or not November is the start of such an optimistic trend.

I ask unanimous consent that the following tables, provided to me by the Department of the Army, be inserted at this point in the Record.

FISCAL YEAR 1974 MALE NONPRIOR SERVICE ACCESSIONS DATA

Fiscal year 1974	Objective	Actuals	Percent fill	Mental categories (percent)				High school (percent)	Total minority (percent)	Black (percent)
				I	II	III	IV			
July.....	17,300	13,193	76.3	1.9	20.2	46.6	31.3	65.9	35.5	33.9
August.....	17,000	13,751	80.9	2.1	24.4	53.7	19.8	58.8	32.0	22.9
September <sup>1</sup> .....	17,800	14,580	81.9	2.1	25.8	52.8	19.3	53.5	31.9	30.0
October <sup>1</sup> .....	17,200	13,487	78.4	2.0	22.7	55.5	19.8	43.7	30.5	28.7
November <sup>1</sup> .....	15,900	13,106	82.4	1.5	21.6	59.3	17.6	37.7	29.3	27.4
Year to date <sup>1</sup> .....	85,200	68,117	79.9	1.9	23.0	53.6	21.5	52.0	31.9	30.0

<sup>1</sup> Preliminary.

## FISCAL YEAR 1974 RECRUITING STATISTICS

	Recruiting objectives	Results	Percent of fill
July 1973:			
Male.....	17,300	13,193	76.3
WAC.....	900	833	92.6
Prior service.....	1,000	792	79.2
Total.....	19,200	14,818	77.2
August 1973:			
Male.....	17,000	13,751	80.9
WAC.....	1,000	1,000	100.0
Prior service.....	1,000	1,112	111.1
Total.....	19,000	15,912	83.7
September 1973: <sup>1</sup>			
Male.....	17,800	14,580	81.7
WAC.....	1,000	1,175	117.5
Prior service.....	1,000	1,252	125.2
Total.....	19,800	17,007	85.9
October 1973: <sup>1</sup>			
Male.....	17,200	13,487	78.4
WAC.....	1,100	1,304	118.5
Prior service.....	1,000	1,295	129.5
Total.....	19,300	16,086	83.3
November 1973: <sup>1</sup>			
Male.....	15,900	13,106	82.4
WAC.....	1,100	1,271	115.5
Prior service.....	1,000	1,280	128.0
Total.....	18,000	15,657	87.0

<sup>1</sup> Preliminary.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. MINSHALL of Ohio, for the forenoon of today, on account of dental appointment.

Mr. GINN, for December 12, 1973, and account of attending funeral of speaker of Georgia House of Representatives.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Young of South Carolina) to revise and extend their remarks and include extraneous matter:)

Mr. HEINZ, for 15 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. ROBISON of New York, for 30 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. YOUNG of Illinois, for 1 minute, today.

Mr. COHEN, for 5 minutes, today.

(The following Members (at the request of Mr. BREAU) to revise and extend their remarks and include extraneous material:)

Mr. McKAY, for 5 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. CAREY of New York, for 5 minutes, today.

Mr. DINGELL, for 15 minutes, today.

Mr. BRADENAS, for 5 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BELL, immediately following Mr. ULLMAN on the Vanik amendment.

Mr. BIAGGI, just before the vote on the Vanik amendment.

Mr. BUCHANAN, on the bill H.R. 11771 immediately following the withdrawal of the Derwinski amendment.

Mr. HECHLER of West Virginia, in two instances, and to include extraneous matter, notwithstanding the fact that in one instance it exceeds two pages of the Record and is estimated by the Public Printer to cost \$475; and in the second instance is estimated by the Public Printer to cost \$575.

Mr. CAREY of New York, in the body of the Record immediately following the vote on the Vanik amendment.

Mr. CAREY of New York, in the body of the Record immediately following the passage of the Trade Reform Act of 1973.

Ms. ABZUG, in the body of the Record, immediately following passage of the Vanik amendment.

Ms. ABZUG, in the body of the Record, immediately following passage of the Trade Reform Act of 1973.

Mr. RANDALL in two instances, one

after the Vanik amendment and one after the Conable amendment.

Mr. MADDEN in two instances, and to include a newspaper article and a radio broadcast.

Mr. DANIELSON to insert his remarks in the Record immediately before the Committee rises on the trade bill considered in the Committee of the Whole today.

Mr. WYLIE to insert his remarks in the Record immediately following the remarks of Mr. Gross during the 5-minute rule on the Emergency Security Assistance Act today.

Ms. ABZUG, before the Tiernan amendment and before the Stark amendment.

(The following Members (at the request of Mr. Young of South Carolina) and to include extraneous material:)

Mr. HILLIS.

Mr. FINDLEY in six instances.

Mr. ESCH.

Mr. HOSMER.

Mr. BURGNER.

Mr. WYMAN in two instances.

Mr. TALCOTT in two instances.

Mr. DERWINSKI in two instances.

Mr. CARTER in two instances.

Mr. GILMAN in two instances.

Mr. CHAMBERLAIN.

Mr. SMITH of New York.

Mr. TAYLOR of Missouri in two instances

Mr. DON H. CLAUSEN in two instances.

Mr. KETCHUM.

Mr. HEINZ in four instances.

Mr. RAILSBACK in two instances.

Mr. FROELICH in two instances.

Mr. SHRIVER.

Mr. RUPPE.

Mr. PETTIS in two instances.

Mr. WIGGINS.

Mr. PRICE of Texas.

Mr. COHEN in five instances.

Mr. MAYNE.

Mrs. HOLT.

(The following Members (at the request of Mr. BREAU) and to include extraneous material:)

Mr. HUNGATE.

Mr. HANLEY.

Mr. O'HARA.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. REID in two instances.

Mr. HAWKINS.  
Mr. ROGERS in five instances.  
Mr. DINGELL in two instances.  
Mr. HARRINGTON in four instances.  
Mr. BINGHAM in five instances.  
Mr. FASCELL in three instances.  
Mr. STUCKEY in 10 instances.  
Mrs. CHISHOLM.  
Mr. MEZVINSKY.

#### ADJOURNMENT

Mr. BREAUX. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, December 12, 1973, at 10 o'clock a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1626. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, to waive the restriction of section 620(m) of the act as it applies to U.S. security assistance programs for fiscal year 1974 for Spain, pursuant to section 652 of the Act; to the Committee on Foreign Affairs.

1627. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for the Veterans' Administration for "Medical care" has been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations for fiscal year 1974, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1628. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for the Veterans' Administration for "Readjustment benefits" has been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations for fiscal year 1974, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1629. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

1630. A letter from the Public Printer, transmitting the annual report of the Government Printing Office for fiscal year 1973; to the Committee on House Administration.

1631. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of lodging, merchandising, and related facilities and services for the public at the LaPush area within Olympic National Park, Wash., for a term ending December 31, 1982, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1632. A letter from the Director of Territorial Affairs, Department of the Interior, transmitting the annual report for fiscal year 1973 on the administration of the Guam Development Fund Act of 1962, pursuant to section 6 of Public Law 90-601; to the Committee on Interior and Insular Affairs.

#### 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. PRICE of Illinois: Committee on Armed Services. S. 1038. An act to amend title 37, United States Code, to authorize travel and transportation allowances to certain members of the uniformed services in connection with leave. (Rept. No. 93-711). Referred to the Committee of the Whole House on the State of the Union.

Mr. DULSKI: Committee of conference. Conference report to accompany H.R. 3180 (Rept. No. 93-712). Ordered to be printed.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 744. Resolution providing for the consideration of H.R. 11450. A bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, and for other purposes. (Rept. No. 93-713). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS:

H.R. 11882. A bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CAREY of New York:

H.R. 11883. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion of contiguous country branch items of domestic life insurance companies; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 11884. A bill to make illegal the manufacture of thin-gage steel drums; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself and Mr. ADAMS):

H.R. 11885. A bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS:

H.R. 11886. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for fiscal year 1974; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 11887. A bill to establish a national program for research, commercial development, and demonstration of coal gasification and coal liquefaction; to provide economic development, reclamation, conservation, and other public service revenues for coal mine areas; and for other purposes; to the Committee on Ways and Means.

By Mr. PRITCHARD:

H.R. 11888. A bill to establish a national homestead program, in cooperation with local housing agencies, under which single-family dwellings owned by the Secretary of Housing and Urban Development may be conveyed at nominal cost to individuals and families who will occupy and rehabilitate them; to the Committee on Banking and Currency.

By Mr. SHRIVER (for himself, Mr. HUDNUT, Mr. WYMAN, Mr. ANDREWS of North Dakota, Mr. BRESTER, Mr. BLATNIK, Mrs. BOGGS, Mr. CASEY OF

Texas, Mrs. GRASSO, Mr. MORGAN, Mr. RHODES, and Mr. RINALDO):

H.R. 11889. A bill to amend the Community Mental Health Centers Act to provide for the extension thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED (for himself, Mr. CAMP, Mr. JARMAN, Mr. JONES of Oklahoma, and Mr. McSPADEN):

H.R. 11890. A bill to declare that the United States hold certain lands in trust for the Citizen Band of Potawatomi Indians of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio:

H.R. 11891. A bill to amend the National Energy Emergency Act and the Emergency Petroleum Allocation Act to waive conflicts of interest; to the Committee on Post Office and Civil Service.

By Mr. BENNETT:

H.R. 11892. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportation barriers to the handicapped and elderly; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 11893. A bill to amend title III of the Federal Election Campaign Act of 1971 to require the designation of central campaign committees and campaign depositories, to establish contribution and expenditure limitations with respect to campaigns for the Office of President, and for other purposes; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 11894. A bill to require the Secretary of the Interior to compile and keep current a mineral fuel reserves inventory; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS of Georgia (for himself, Mr. TEAGUE of Texas, Mr. MOSHER,

Mr. SYMINGTON, Mr. BELL, Mr. HANNA, Mr. ESCH, Mr. MCCORMACK, Mr. FUQUA, Mr. PARRIS, Mr. CRONIN, Mr. COTTER, Mr. MARTIN of North Carolina, Mr. PICKLE, Mr. BROWN of California, Mr. THORNTON, Mr. WOLFF, Mr. GOLDWATER, and Mr. STEELE):

H.R. 11895. A bill to enhance the public health and safety by reducing the human and material losses resulting from fires through better fire prevention and control, and for other purposes; to the Committee on Science and Astronautics.

By Mr. FORSYTHE:

H.R. 11896. A bill to prohibit commercial fishing in the waters located in the national seashore recreation areas; to the Committee on Interior and Insular Affairs.

By Mr. GRAY (for himself, Mr. BLATNIK, Mr. HARSHA, Mr. KLUCZYNSKI,

Mr. GROVER, Mr. WRIGHT, Mr. CLEVELAND, Mr. CLARK, Mr. DON H. CLAUSEN, Mr. JOHNSON of California, Mr. SNYDER, Mr. DORN, Mr. ZION, Mr. ANDERSON of California, Mr. HAMMERSCHMIDT, Mr. ROE, Mr. RHODES, Mr. DIGGS, Mr. CEDERBERG, Mr. NEDZI, Mr. CHAMBERLAIN, Mr. HARVEY, Mr. VANDER JAGT, Mr. ESCH, and Mr. BROWN of Michigan):

H.R. 11897. A bill to name the U.S. Courthouse and Federal Office Building at 110 Michigan Street, NW, Grand Rapids, Mich., the "Gerald R. Ford Federal Office Building"; to the Committee on Public Works.

By Mr. GRAY (for himself, Mr. BREAUX,

Mr. MIZELL, Mr. STUDDS, Mr. BAKER, Mrs. BURKE of California, Mr. SHUSTER, Mr. GINN, Mr. WALSH, Mr. MILFORD, Mr. COCHRAN, Mr. BAFALIS, Mr. ABDON, Mr. HANABAHAN, Mr. TAYLOR of Missouri, Mr. RIEGLE, Mr. RUPPE, and Mr. HUBER):

H.R. 11898. A bill to name the U.S. Courthouse and Federal Office Building at 110 Michigan Street, NW, Grand Rapids, Mich.,



the "Gerald R. Ford Federal Office Building"; to the Committee on Public Works.

By Mrs. HOLT:

H.R. 11899. A bill to provide retirement annuities for certain widows of members of the uniformed services who died before the effective date of the Survivor Benefit Plan; to the Committee on Armed Services.

H.R. 11900. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mrs. HOLT (for herself and Mr. HOGAN):

H.R. 11901. A bill to authorize the Secretary of the Interior to acquire certain property in the State of Maryland for an international center park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PRICE of Texas:

H.R. 11902. A bill to amend the Internal Revenue Code of 1954 to provide tax relief for homeowners; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 11903. A bill to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHERLE (for himself, Mr. MORGAN, Mr. ABDNOR, Mr. HUBER, Mr. BERGLAND, Mr. BOWEN, Mr. MAZZOLI, Mr. HOGAN, Mr. HUNGATE, Mr. RANDALL, Mr. EDWARDS of Alabama, Mr. GUNTER, Mr. SMITH of Iowa, Mr. FREY, Mr. RIEGLE, and Mr. LITTON):

H.R. 11904. 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. SCHERLE (for himself, Mr. ICHORD, Mr. YOUNG of Florida, Mr. CULVER, Mr. DICKINSON, Mr. MAYNE, Mr. BEVILL, Mr. FUQUA, Mr. HORTON, Mr. THONE, Mr. WINN, Mr. KEMP, Mr.

TAYLOR of North Carolina, Mr. KETCHUM, Mr. DERWINSKI, Mr. MANN, Mr. DAVIS of Georgia, Mr. YATRON, Mr. NICHOLS, Mr. ANDREWS of North Dakota, Mr. MONTGOMERY, Mr. LOTT, Mr. MCCOLLISTER, Mr. JOHNSON of Pennsylvania, Mr. BENNETT, and Mr. MORGAN):

H.R. 11905. 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. SNYDER (for himself, Mr. HOWARD, Mr. BLATNIK, Mr. CLEVELAND, and Mr. TAYLOR of Missouri):

H.R. 11906. A bill to amend the Appalachian Regional Development Act of 1965 as amended; to expedite the development of processes for the synthesizing of liquid and gaseous hydrocarbons; to the Committee on Interior and Insular Affairs.

By Mr. BADILLO (for himself, Mr. ROY, Mr. DERWINSKI, Mr. ROSENTHAL, Mr. DE LUGO, Mrs. COLLINS of Illinois, Mr. DELLUMS, Mrs. SCHROEDER, Mr. RHODES, Mr. WYDLER, Mr. RYAN, Mr. PEPPER, Mr. YOUNG of Alaska, Mr. GONZALEZ, Mr. BENITEZ, Mr. HAWKINS, Mr. MURPHY of New York, Mrs. GRASSO, Mr. BINGHAM, Mr. RODINO, Mr. COHEN, Mr. ROYAL, Mr. LONG of Louisiana, Mrs. CHISHOLM, and Mr. WON PAT):

H.J. Res. 851. Joint resolution authorizing and requesting the President to proclaim the week of May 13, 1974, as Bilingual Education Week; to the Committee on the Judiciary.

By Mr. BADILLO (for himself, Mr. MOAKLEY, Ms. ABZUG, Mr. STOKES, Mr. TREEN, Mr. TOWELL of Nevada, Mr. KOCH, Mr. PICKLE, and Mr. DANIELSON):

H.J. Res. 852. Joint resolution authorizing and requesting the President to proclaim the week of May 13, 1974, as Bilingual Education Week; to the Committee on the Judiciary.

By Mr. PICKLE (for himself, Mr. MCCOLLISTER, Mr. MONTGOMERY, Mr. KEMP, Mr. SPENCE, Mr. BURGNER, Mr. COCHRAN, Mr. DON H. CLAUSEN, Mr. RANGEL, Mr. HUBER, Mr. SCHERLE, Mr. QUIE, Mr. KETCHUM, Mr. ADDABO, Mr. MC EWEN, Mr. BOB WILSON, Mr. ROBINSON of Virginia, Mr. WON PAT, Mr. EILBERG, Mr. ROE, Mr. TREEN, Mr. ROUSSELOT, Mr. HUDNUT, Mr. STEELMAN, and Mr. MAZZOLI):

H.J. Res. 853. Joint resolution expressing the concern of the United States about American servicemen missing in action in Vietnam; to the Committee on Foreign Affairs.

By Mr. REUSS:

H.J. Res. 854. Joint resolution to authorize the President of the United States to proclaim January 1974, "African Relief Month"; to the Committee on the Judiciary.

By Mr. WIGGINS (for himself, Mr. HOSMER, Mr. O'HARA, Mr. MAYNE, Mr. BUTLER, Mr. CONTE, and Mr. McCLOSKEY):

H.J. Res. 855. Joint resolution proposing an amendment to the Constitution of the United States relative to information proceedings and grand jury indictment; to the Committee on the Judiciary.

By Mr. ESHLEMAN (for himself, Mr. WON PAT, Mr. SNYDER, Mr. DERWINSKI, Mr. FROELICH, Mr. SCHNEEBELI, Mr. WINN, Mr. WAGGONER, Mr. ROUSH, Mr. MCDADE, Mr. LOTT, Mr. MITCHELL of New York, Mr. STEELMAN, Mr. BURGNER, Mr. ZWACH, Mr. ROY, Mr. CRONIN, and Mr. MANN):

H. Con. Res. 396. Concurrent resolution expressing the sense of the Congress with respect to certain patents which, if utilized, could result in energy savings; to the Committee on the Judiciary.

By Mr. CULVER:

H. Con. Res. 397. Concurrent resolution providing for the printing of additional copies of hearings before the Subcommittee on Foreign Economic Policy entitled "Foreign Policy Implications of the Energy Crisis"; to the Committee on House Administration.

## EXTENSIONS OF REMARKS

### THE NEED FOR TRADE REFORM

#### HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 10, 1973

Mr. RAILSBACK. Mr. Speaker, I am pleased to add my support to one of the most significant pieces of legislation to come before the 93d Congress. Its provisions are important to all Americans—businessmen, consumers, farmers, and workers.

The Trade Reform Act was originally proposed by President Nixon in April of this year. At that time, he explained:

The trade bill I am sending to Congress can mean more jobs and better jobs for American workmen.

It can help American consumers get more for their money.

It can help us expand our trade, and thus expand prosperity in America.

And, most importantly, these proposals can help us reduce international tensions and strengthen the structure of peace in the world.

As we are all aware, legislation is imperative if the President is to participate in the multilateral trade negotiations. He

has had no authority to conclude international trade agreements since June 30 of 1967—This is the longest period in U.S. history in which a President has not had this authority. Unless the United States has power to grant reciprocal trade concessions to other countries, there can be no progress in moving toward world trade liberalization.

Briefly stated, the major provisions of the Trade Reform Act are as follows:

First, renewal and extension of the President's authority to enter into trade agreements with other countries for 5 years, and authorization to proclaim duty modifications or continuances;

Second, authorization of the President to enter into trade agreements with other countries for 5 years providing for the elimination or reduction of non-tariff barriers and/or any other distortions of international trade;

Third, requirement that, in exercising his trade agreement authority, the President shall assure mutual trade benefits;

Fourth, additional authority granted to the President to temporarily modify restrictions on U.S. imports to deal with balance-of-payment disequilibria and inflation;

Fifth, continuing and close congress-

sional oversight of international trade negotiations and the implementation of and operation of international trade agreements;

Sixth, improvement of the present import relief clause as a means of assuring greater accessibility and more effective delivery of import relief to those industries seriously injured or threatened with serious injury from increased imports;

Seventh, improvement of current adjustment assistance programs for both workers and firms that are adversely affected by increased imports;

Eighth, improvement of domestic public procedures that insure the consideration of the economic interests of all citizens, consumers and producers, exports and importers;

Ninth, improvement of the means of dealing with problems of unfair trade practices in this country and abroad;

Tenth, requirements to respond to the President's request for authority to normalize trade relations with certain trading countries; and

Eleventh, authorization for the President to grant preferential tariff treatment to the exports of developing countries as part of U.S. participation in the common effort to developed countries to