United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Thursday, December 13, 1973*

The House met at 11 o'clock a.m.

Father Arthur J. Metaxas, Sts. Constantine and Helen Greek Orthodox Church, Cambridge, Mass., offered the following prayer:

Our Heavenly Father, we come before Thee, mindful of the good land in which we dwell. We are deeply grateful for the noble heritage bequeathed us by our forefathers who had faith in Thee and trust in their fellow man.

O God hear our prayer and renew our spirits. For we are people occupied by the quest of things, overcome by the press of events and distracted by the excitement of every creaturely comfort and delight.

Grant us, O Lord, patience for the days when our followers move too slowly; grant us love for those times when men will mock; may we have faith in ourselves when failure stalks our paths; and give us strength when temptation would lure us into the easy way. Use us as instruments to further Thy ways—ways of pleasantness and of peace, of justice and of brotherhood, compassion and understanding. Where we find discord, may we bring unity; where we see despair, may we set up hope; where we encounter bitterness, may we sow love; where we meet darkness of night, may we shed the light of a morning star.

For Thou art the light and the hope of all mankind. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 3490. An act to amend section 40b of the Bankruptcy Act (11 U.S.C. 68(b)) to remove the restriction on change of salary of full-time referees.

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

H.R. 11576. An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11576) entitled "An act making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. BIBLE, Mr. ROBERT C. BYRD, Mr. McGEE, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. YOUNG, Mr. HRUSKA, Mr. COTTON, Mr. CASE, Mr. FONG, Mr. HATFIELD, Mr. STEVENS, Mr. MATHIAS, and Mr. BELLMON to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 11576, SUPPLEMENTAL APPROPRIATIONS, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11576) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. MAHON, WHITTEN, ROONEY of New York, EVINS of Tennessee, BOLAND, FLOOD, STEED, SLACK, Mrs. HANSEN of Washington, Messrs. McFALL, CEDERBERG, MICHEL, CONTE, DAVIS of Wisconsin, ROBISON of New York, and McDADE.

TOO FEW CAESARS

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

Mr. HANNA. Mr. Speaker, it has been said that in the land of the blind a one-eyed man is king. I have spoken yesterday about the blindness with which we have been approaching some very important legislation. In looking through this administration for the one-eyed man who might qualify as king, I find only George Shultz qualifying in this manner.

He has his one eye in the domestic economics field fixed on inflation. That would not be so bad except Mr. Shultz' economics eye looks to aggregate demand in a time when our problems are in the field of commodity shortages. He has his one eye in the international field fixed on balance of payments. This would be all right except that Mr. Shultz is ready to sell the things of which we are most short in order to get the balance of payments, so that we end up gaining 10 cents internationally and losing 25 cents domestically.

I feel that the pall that is on this body is due to the lack of leadership and the vacuum of vision. It seems to me rather unfortunate at this very troublesome time in history that this administration has the worst of all possible worlds—too few Caesars and too little judgment.

WHEAT WINDFALL

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

Mr. YATES. Mr. Speaker, last Thursday the press reported that wheat farmers have been given a windfall of half a billion dollars in oversubsidization payments by the Department of Agriculture.

Subsidies were paid last summer on the basis of the then current rate of $2.49 per bushel. Subsequently, at least in part because of massive grain exports, prices soared to $3.99 per bushel, but by then massive preliminary payments had already been made. The Agriculture Department passes it all off as a simple "misjudgment" and has cited a part of the agricultural act which stipulates that farmers do not have to return overpayments to the Government.

All of this must make very interesting reading for those citizens who depend on social security or veterans' benefits. They know that if the Government overpays them, they must return every penny.

This is the second year in a row, Mr. Speaker, that the administration has completely mismanaged the wheat crop. Last year we had the famous sale of wheat to Russia. We are still paying for that one with outrageous high food prices and insufficient protein foods. Now we have unwarranted windfall profits at the expense of the consumer.

Mr. Speaker, I have written to the Comptroller General for his opinion in the matter. I cannot believe that a huge overpayment of this type should not and cannot be recaptured by the Federal Government.

WELCOME JAYCEES OF AMERICA

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

Mr. KEMP. Mr. Speaker, it was James Madison who said:

We have staked the whole future of Ameri-

can civilization not upon the capacity of the government, far from it; we have staked the future of America upon the capacity of the American people for self-government.

Mr. Speaker, I am proud to welcome to Washington participants in the U.S. Jaycees 13th annual governmental affairs leadership seminar. The U.S. Jaycees are an organization which has heeded Madison's admonition, and which consistently provides the type of leadership of which this country finds itself in need.

The Jaycees bring to public policy a unique blend of enthusiasm, idealism, and realism focused on the accomplishment of public objectives reflective of the Jaycee Creed:

THE JAYCEE CREED

We believe that faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That Earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

Mr. Speaker, I have been fortunate to see the Jaycees in action in Buffalo and Erie County, N.Y. I am sure their leadership seminar, being held today, tomorrow, and Saturday, will contribute to their ability to successfully carry out the community projects for which all America is grateful.

I know all the Members of the Congress will join with me in welcoming the U.S. Jaycees and Jaycettes to Washington.

PERSONAL ANNOUNCEMENT

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

Mr. VEYSEY. Mr. Speaker, on Monday and Tuesday of this week, I was in California on important energy and transportation matters. Had I been here I would have voted as follows:

Monday: House Resolution 657, rule providing for consideration of the trade reform bill, "yea." Rollcall No. 639.

Tuesday: Trade reform bill, H.R. 10710:

Vanik amendment prohibiting the extension of credits to those Communist countries which restrict emigration, "aye." Rollcall No. 643.

Conable amendment striking title IV from the bill, "noe." Rollcall No. 644.

Final passage of H.R. 10710, "aye." Rollcall No. 645.

Israel emergency assistance, H.R. 11088:

Findley amendment to permit use of funds to support U.N. Secretary Council Resolutions calling for Israeli withdrawal of Israeli sovereignty and territorial integrity, "noe." Rollcall No. 646.

Final passage of H.R. 11088, "aye." Rollcall No. 647.

Foreign assistance appropriations, H.R. 11771:

Tiernan amendment to strike $1 million for Chile, "noe." Rollcall No. 650.

Stark amendment to reduce funds for emergency military assistance for Cambodia by $100 million, "noe." Rollcall No. 651.

Ichord amendment to prohibit the use of any Export-Import Bank funds for any nonmarket economy country, "noe." Rollcall No. 652.

Final passage of H.R. 11771, "yea." Rollcall No. 653.

WELCOME TO THE JAYCEES

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

Mr. STEIGER of Wisconsin. Mr. Speaker, I join with the gentleman from New York (Mr. KEMP) in welcoming to the Nation's Capital the 13th Annual Governmental Affairs Leadership Seminar of the U.S. Jaycees.

It has been said that one of the strengths of our country is the spirit of volunteerism. No organization more nearly typifies that volunteer spirit than do the U.S. Jaycees. In communities throughout the United States the spirit of dedication and the commitment of these young men and their Jaycettes has set an example for all of us helping to solve our problems. They do not wait for somebody else to solve them for them.

I join with my colleagues in congratulating the Jaycees for their willingness to work for their community, State, and Nation, and in welcoming them to this city for their excellent seminar.

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

Mr. STEIGER of Wisconsin. I am happy to yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, I would like to join my colleagues in paying tribute to the Jaycees. Speaking as an Exalted Rooster, I had my start in politics and I hope, an understanding of the needs of the people, which began many years ago in the Junior Chamber of Commerce. I want to join with the gentleman from Wisconsin and the gentleman from New York in welcoming the Jaycees to Washington.

Mr. STEIGER of Wisconsin. Mr. Speaker, I am delighted by the comments of the gentleman from California. I am at that age at which I am almost there, but I have not yet been exhausted.

COMMUNICATION FROM THE CLERK OF THE HOUSE

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

WASHINGTON, D.C.,
December 12, 1973.

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

DEAR MR. SPEAKER: On December 11, 1973 I have been served a summons and copy of the complaint in a Civil Action through the United States Marshal by certified mail number 197884 that was issued by the U.S. District Court for the Northern District of California.

The Summons requires the Congress of the United States to answer the complaint within sixty days after service.

The Summons and complaint in question are attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

With kind regards, I am,

W. PAT JENNINGS,
Clerk, House of Representatives.

The SPEAKER. Without objection, the accompanying papers will be printed in the RECORD following the letter.

There was no objection.

The material referred to follows:

WASHINGTON, D.C.
December 12, 1973.

Hon. ROBERT H. BORK,
Acting Attorney General of the United States, U.S. Department of Justice, Washington, D.C.

DEAR MR. BORK: I am sending you a certified copy of a summons and complaint in Civil Action No. C 73 2092GBH filed against the United States House of Representatives and others in the United States District Court for the Northern District of California, and served upon me through the U.S. Marshal by certified mail No. 197884 on December 11, 1973.

In accordance with 2 U.S.C. 118 I have sent a certified copy of the Summons and Complaint in this action to the U.S. Attorney for the Northern District of California requesting that he take appropriate action under the supervision and direction of the Attorney General. I am also sending you a copy of the letter I forwarded this date to the U.S. Attorney.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

SUMMONS IN A CIVIL ACTION

[In the U.S. District Court for the Northern District of California, civil action file No. C 73 2092GBH]

Earle Ray Esgate, Plaintiff, v. Donald E. Johnson, Board of Veterans Appeals, the United States House of Representatives, the United States Senate, the President of the United States, as Commander in Chief of the Armed Forces of the United States, and as Co-Defendant United States Army and United States Army Medical Corps.

To the above named Defendant: You are hereby summoned and required to serve upon The plaintiff; acting as his own attorney and whose address is below: plaintiff's attorney, whose address Earle Ray Esgate, 1099 Topaz Ave. Apt. 6, San Jose, California, 95117, Phone 296–8182 an answer to the complaint which is herewith served upon you within 60 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Date: December 5, 1973.

F. R. PETTIGREW,
Clerk of Court.

C. COWNE,
Deputy Clerk.

[Seal of Court.]

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 660]

Ashley	Gibbons	Rhodes
Bevill	Gray	Rooney, N.Y.
Blatnik	Green, Pa.	Ruppe
Buchanan	Hébert	Sandman
Burke, Calif.	Holtzman	Sikes
Carey, N.Y.	Hunt	Staggers
Chappell	Jarman	Steele
Clark	Johnson, Calif.	Stokes
Collier	Long, Md.	Taylor, Mo.
Conable	Macdonald	Thompson, N.J.
Conyers	Mills, Ark.	Walsh
Dellums	Mollohan	Wyatt
Diggs	Perkins	Young, Ga.
Erlenborn	Reid	
Evans, Colo.	Reuss	

The SPEAKER. On this rollcall 389 Members have recorded their presence by electronic device, a quorum.

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

PERSONAL EXPLANATION

Mr. FOLEY. Mr. Speaker, yesterday, on rollcall No. 656, I voted "aye" by electronic device.

My vote was not recorded.

TRADE BALANCE IS IN THE BLACK

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

Mr. DE LA GARZA. Mr. Speaker, news comes from the Department of Agriculture that, thanks to record-high agricultural exports in October, the total U.S. trade balance was in the black for that month and for the first 10 months of this year.

Agricultural exports totaling $1.7 billion in October produced a surplus in farm trade of $1 billion. According to the report from the Agriculture Department, this more than offset a deficit of $648 million in nonagricultural trade to account for a total trade surplus of $376 million for the month and $232 million for the first 10 months of the year.

It is significant that our agricultural export strength has led the way to another trade balance improvement. As matters appear now, the figures are in for the full year, it is expected that agricultural exports will give the Nation the first annual trade surplus we have enjoyed since 1970. As well as providing countless jobs for farmworkers and related industries.

Mr. Speaker, the role of agriculture in reversing the trade-balance deficit points up the imperative necessity of making adequate fuel supplies available to our farm producers. If they are not allocated, and if they are not permitted to obtain sufficient fuel to maintain production, the consequences could be disastrous and far reaching.

American agriculture is meeting a threefold responsibility of feeding America, helping to feed the world, and improving the trade balance between the United States and other nations. It will continue to do so if our producers obtain the fuel they need in order to carry on their operations. That is a must in the fullest sense of the word.

ENERGY EMERGENCY ACT

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11450) 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.

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. 11450, with Mr. BOLLING in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, there was pending the amendment in the nature of a substitute consisting of the text of the bill H.R. 11882, offered by the gentleman from West Virginia (Mr. STAGGERS).

AMENDMENT OFFERED BY MR. CARTER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. CARTER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. CARTER to the amendment in the nature of a substitute offered by Mr. STAGGERS: On page 32, line 17, after the word "oil,", strike out the words "and coal,".

On page 32, line 23, after the word "oil,", strike out the words "or coal,".

On page 33, line 21, after the word "oil,", strike out the words "or coal,".

On page 35, line 17, after the word "oil,", strike out the words "or coal,".

Mr. CARTER. Mr. Chairman, my amendment has been read, and as the Members know, under section 117 of this bill, a "windfall profit" is defined as one in excess of the average profit received by all sellers of petroleum products and coal between the years 1967 and 1971.

I want to point out that during these years our coal companies made profits in only one of these years, and that was 1970. The Coal Mine Health and Safety Act of 1969 was a major piece of legislation, which substantially undated and strengthened previous inspection acts, and it required extensive and expensive equipment purchases.

It is clear that much of the profit of the coal industry has been used for such expenditures.

I submit, Mr. Chairman, that if the proposed base is the one to be used to determine excess profits, these companies would be forced to pay millions and millions of dollars back to the purchasers. Not only would this absolutely break every coal company in this country, but it would create an impossible complication of an already difficult situation.

I owe no fealty to the coal operators, but I do owe a tremendous debt to the coal miners of the area which I represent.

Mr. Chairman, I urge my colleagues to realize the responsibility of such an action, and I urge the adoption of my amendment.

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

Mr. CARTER. I yield to the gentleman from Tennessee.

Mr. DUNCAN. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Kentucky, I strongly support his amendment.

I thank the gentleman for yielding.

Mr. CARTER. I thank the distinguished gentleman from Tennessee.

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

Mr. Chairman, I am trying to understand the amendment which is before us.

The gentleman from Kentucky (Mr. CARTER) as I understand it, has offered an amendment to strike the words, "or coal," in most of those places where they appear in section 117, the windfall profits section.

My question to the chairman of the committee or to the Chairman is as follows:

Is the amendment pending offered as a substitute, or is it a direct amendment to that particular section?

The CHAIRMAN. The Chair will inform the gentleman that the amendment offered by the gentleman from Kentucky (Mr. CARTER) is an amendment offered to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

Mr. PICKLE. Could this Member be advised as to what was the amendment in the nature of a substitute that the gentleman from West Virginia offered?

The CHAIRMAN. The Chair will advise the gentleman that the amendment pending is the text of the bill H.R. 11882.

Mr. PICKLE. Then, in effect, Mr. Chairman, the amendment is an amendment to the bill pending?

The CHAIRMAN. The amendment is, as the Chair stated, an amendment to the amendment in the nature of a substitute which is the text of the bill H.R. 11882.

Mr. PICKLE. I thank the Chairman.

Mr. ECKHARDT. Mr. Chairman, I rise to speak against the amendment.

Mr. Chairman, the windfall profits section of the bill simply provides that if, because of the energy shortage, any company derives windfall profits from the prices permitted, that there may be some way for the public to recoup those profits. The means is by paying back to those who have been overcharged by prices which have resulted in windfall profits or, if they may not be identified, as in the case of the general public purchasing gasoline or other petroleum products, in that event, by recouping excess payments by lower prices over a given period of time.

The windfall profits section provides that profits may be that of the individual company's 5-year profit average from 1967 through 1971 or the industry's average from 1967 through 1971.

What this means is that if the industry can show its average profits do not exceed either of these averages then such are not to be considered windfall

profits. There is certainly no reason to treat coal any differently than other industries. If there is a windfall profit as a result of this energy shortage, then, if we include that windfall profit section, we should apply it to every company that is making a windfall profit.

So therefore I suggest to the Members that it is entirely inappropriate to exempt windfall profits in this section.

Mr. DENT. Will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman.

Mr. DENT. It is interesting to note that during the 5-year period that we are using as a base period here the coal industry only earned a profit in 1 year, and that was last year. They have not earned a profit before that. The condition of the coal industry is probably the worst of any of the energy-source industries in the United States.

Now we need more incentive for opening mines. You just do not turn a valve in order to open up a coal mine. It is a great big expensive operation. This is not a product which is in short supply.

Mr. ECKHARDT. If the gentleman will yield back to me, I understand that, but if that be the case, the chances are the coal industry will not be making a windfall profit and will not come under this section, anyway. If the gentleman is correct and if the period involved is unfavorable to the coal industry, the way to correct that is to use another period with respect to the coal industry but not to treat it as being completely exempt from windfall profits.

I yield back the balance of my time.

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

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

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

Mr. DENT. Mr. Chairman, this is a very serious matter. We have been working since 1964 under an authorization from this Congress to the Department of the Interior for the gasification of coal, and the production of oil from coal. We have now had breakthroughs that give us promise. The Navy has just reported that they have a cruiser at the present time that is using oil that was derived from coal. It is now possible within 2 years, using an expenditure of between $2 billion and $3 billion, to provide all of the energy times 300 percent that is now imported into the United States from oil producing countries. We have a supply of coal of 900 million tons a year, which is 50 percent greater than we have ever used in our lifetime for 1 year, available for 1,000 years with the known seams of coal.

We know how coal is formed, and so below these seams of coal we now know that there are other seams of coal. We have records of them, but we do not have geological surveys of any kind to show how extensive these seams are, but we must now arrange to help that industry which has been at a standstill almost since 1926, and whose workers have the worst kind of local poverty in every area of our coal mines. For goodness' sake, we have got to get them back on their feet so that they can recoup some of the moneys and get back to producing. There is no allocation of coal, it is an American product. No one can stop us but ourselves. If we do not help the coal industry now to move ahead and open the mines and get back into the production of coal, then the tragedy we are going through today may beocme a fatal tragedy to all of us. Do not take coal and put it into the same category as oil, that is a different type and a different breed of animal. Once you get the oil out you just turn a valve. Once you close down a mine it deteriorates. Because of mine closures we have lost coal, and it is now not available to us because we closed those mines.

In 1961 I warned the Congress of the United States of what would happen if we did not keep our coal mines in a ready-to-go condition. We need all of the help for our energy needs we can get, and coal can meet those energy needs. Let us put them in a condition where they can produce, and not in a condition where they cannot produce. Let them stretch their muscles. All we need today is more muscle and money, and we will be able to give this country the energy it needs through the coal industry.

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

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

Mr. CARTER. Mr. Chairman, I just want to say that this bill as presently written would do irreparable harm not only to the mining industry but will cut off our coal miners from work. In the four years from 1967 to 1971, to take an average of that, of the amount received in the industry on that, and call that a windfall profit when in only one of those years, in 1970, was there a profitable year. I am not arguing about big industry tycoons, or anything like that, I am arguing for the coal miners so they can work, and to help the miners in my area. I am not arguing against petroleum.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I find this a rather strange argument. The section proposed to be stricken, or at least in which coal was a commodity to be stricken, deals with windfall profits. It does not deal with earnings that are reinvested either in developing a coal mine or devoted to research. It does not deal with the items that under almost any normal accounting procedure, are other than windfall or unusual profits, profits going beyond the normal range of profits for the industry.

I can understand a move to prevent us from blocking normal profits, but the extraordinary, the windfall that arises solely because of a market that at the moment lacks product to meet demand, that I cannot understand.

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

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

Mr. CARTER. I thank the gentleman for yielding.

Let us read what this says:

> Except as provided in paragraph (4), for the purposes of this subsection, the term "windfall profits" means profit in excess of the average profit obtained—

During these 4 years. The fact of the matter is during those 4 years at only one time did the coal industry make a profit, and all of the things that the gentleman is stating are not in this bill, but only what I have said right here. I want to tell the Members if this continues, it is going to throw thousands out of work.

Mr. MOSS. Mr. Chairman, I will not yield further, because I am going to make an observation. We are not talking about windfall losses. There is a rule of reason that has been followed in the matter of negotiating over the past on behalf of the Government in determining what constitutes a windfall profit, and it does not deny a proper rate at all. That is not anticipated, and this record should make it very clear that an adequate rate of return is not foreclosed by the language dealing with windfall profits.

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

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

Mr. DENT. I thank the gentleman for yielding.

If I understood the gentleman to say what I think he said, he said that this would not interfere with any exploratory work that has to be done, or extension of facilities, or moneys spent on opening new mines. But what does it say? On page 36, line 16, subparagraph (7) it says:

> Except as provided in paragraph (4), for the purposes of this subsection, the term "windfall profits" means profit in excess of the average profit obtained by all sellers for the particular item during the calendar years 1967 through 1971.

That is what it says.

Mr. MOSS. The gentleman is addressing himself to the very same point that the gentleman from Kentucky addressed his remarks to, and I say to my good friend, the gentleman from Pennsylvania, that he is in just as much error as was the gentleman from Kentucky.

Exploratory or developmental items are tax-deductible; they are expenses of doing business and not part of profit; and anyone who tries to torture into the language any intent other than the one I have set forth, either does not read with care or is acting from emotion rather than fact.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. PRICE of Texas. I thank the gentleman for yielding.

I would like to agree with the gentleman's statement. Is it not true that the coal companies having this experience have been able to show their losses under the tax laws of today and, therefore, could show a loss over these past 5 years the same as any other industry?

Mr. MOSS. As a matter of fact, they could do some carrying forward.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 1 additional minute.)

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

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

Mr. HEINZ. Mr. Chairman, I rise to ask the gentleman from California one question regarding page 36, line 18, where it says:

. . . profit in excess of the average profit obtained by all sellers . . .

Does the gentleman construe that to mean that a calculation will be made excluding the losses of any coal operation, and that only profitable operations will be taken into consideration when this "average profit obtained by all sellers" is calculated?

Mr. MOSS. I would mean we would have to weigh any calculation to reflect a rational approach to determine a profit average, and that would also under the precedents of the practice of the Renegotiation Board have to reflect a reasonable rate of return. I believe that such a rate of return has often been determined in prior instances so that there are guidelines.

Mr. WAGGONNER. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Kentucky (Mr. CARTER).

The CHAIRMAN. That is not in order. The Chair will have to state to the gentleman that a substitute is not in order.

Mr. WAGGONNER. Mr. Chairman, I offer an amendment to the amendment.

The CHAIRMAN. The Chair will have to state that no amendment to the amendment is in order. It would be in the third degree. The Committee is considering the bill H.R. 11450, to which there has been offered an amendment in the nature of a substitute, that being the text of the bill H.R. 11882. An amendment to that offered by the gentleman from Kentucky (Mr. CARTER) is now pending. Further amendment to that amendment would be in the third degree and contrary to the rules of the House.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WAGGONNER. After the House has worked its will on the amendment offered by the gentleman from Kentucky, will not a further amendment to that section be in order?

The CHAIRMAN. There is not a completely simple answer to that question. It depends on the disposition of the amendment offered by the gentleman from Kentucky (Mr. CARTER). If it were defeated, any other germane amendment to the section would be in order. If it were adopted then other amendments might be in order if they were drafted in a certain way to that section.

PARLIAMENTARY INQUIRY

Mr. KETCHUM. Mr. Chairman, a parliamentary inquiry. Yesterday I brought up the same subject with the Parliamentarian and he informed me that an amendment to an amendment was not in order but that a substitute amendment for the amendment was in order. I wonder if we might have a ruling on that.

The CHAIRMAN. The misunderstanding might have come from the fact that a substitute for the amendment in the nature of a substitute would be in order. A substitute for the whole amendment in the nature of a substitute, in other words the whole text of the bill H.R. 11882 would be in order. But there is no way to amend an amendment pending to that substitute.

Mr. KETCHUM. Mr. Chairman, if I may proceed a moment further, does that indicate that if the amendment offered by the gentleman from Kentucky is adopted, that no further amendment can be made to that section:

The CHAIRMAN. What the situation is—and the Chair has tried to state this situation clearly a time or two before—if an amendment to a section is adopted, then that constitutes final action on that particular piece of that section and that particular amendment cannot be further amended. But if then there is an amendment offered to another part of that section, that amendment might well be in order. But the basic point is that the committee cannot amend something that has just been adopted. In other words, if there is an amendment to a section which affects the language of a portion of that section, if that is adopted then that concludes the matter with regard to the language changed in that portion of that section; but if there are other portions of that section which are not affected by that amendment then they are still open to amendment. A further amendment broader in scope than that adopted would still be in order.

Mr. KETCHUM. I thank the Chair for that.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WAGGONNER. Do I interpret the rule of the Chair to be that should this amendment to section 117 be adopted, a substitute for the entire section which remains would be in order?

The CHAIRMAN. A substitute for the entire section which remains would be in order.

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

Mr. Chairman, I yield to the gentleman from West Virginia for a question.

Mr. STAGGERS. Mr. Chairman, I wanted to make a statement, if the gentleman would allow me to.

I rise in support of the amendment of the gentleman from Kentucky, knowing the coal situation in the State of West Virginia. I know it has been in a bad state of affairs. This would be helpful to the future energy policy of America. I think it is only fair that an industry that has been damaged as much as it has should not be penalized more.

Mr. HANNA. Mr. Chairman, I take the well at this point in time to help those who feel, as I do, somewhat abused in this whole process. We had 55 amendments before us at the beginning of this session. There is a marvelous and rather mysterious institution in the Congress called the conference, which in my few years in the House has more often than not been the body which writes most of the important legislation.

Now, I have not always been happy about that; but considering the facts that I explained yesterday, how we are going so blindly into a matter that is so complex and about which there is so little real knowledge, I am prepared to see the conference committee write whatever bill we are going to have before us. I am not going to vote either for or against this bill when it is finished in this House, because I want to leave myself free to vote for the real bill which will be the one that comes out of the conference report.

Now, in approaching these amendments, which I hope will be diluted in number, I think the controlling criteria should be, does it or does it not strengthen the hand of the House conferees, for as I look at the conference I see there is a very powerful personage who will be representing the other body, who would like nothing better than to write the whole thing himself.

I question the wisdom of that, but since I, like all the Members, are going to have to go before the people to explain what I have done in this important field, I would prefer to lessen my own responsibility, because I am rather humble about my own knowledge in this whole field.

Now, I am as afflicted as anybody here with the disease of this profession. I constantly go into a rhapsody on the rolling resonance of my own rhetoric. I am constantly impressed with the laser-like sharpness of my own logic; but I think that in this condition and seeing the country as I do, humility is not a bad thing, because I assure the Members, there are plenty of my constituents back home ready to explain to me how much I have to be humble about. Perhaps some others might have this same feeling. If Members will just take a little pains and a little time and apply, as I have, the modicum of intelligence, which however taxed, I have tried to approach both the Senate bill and the House bill, these are the provisions we have to be concerned about.

The questions we must all be asking ourselves while we consider this bill and its future in conference are: What does the House bill have in regard to certain problems of concern? What does the Senate bill have? What are we likely to get out of conference?

The areas of concern are:

First, rationing and conservation plans. Under the House bill, the Emergency Petroleum Allocation Act is amended to require ordering of priorities with vital services getting top priority. Also, it authorizes gas rationing. Within 30 days after enactment, the President is to submit one or more energy conservation plans to Congress "for appropriate action." Under the Senate bill, energy contingency plans must be promulgated within 15 days, which shall include: first, priority system and plan, and rationing program; second, measures capable of reducing energy consumption by 10 percent within 10 days and 25 percent within 4 weeks; third geographic distribution plan, fourth, and requirements for programs to be developed by State and

local governments to which they must respond within 8 weeks. This is subject to legislative veto within 15 days of submission to Congress. In addition, the President is required to develop and implement federally sponsored incentives for use of public transit, including military operating subsidies. What will the conference committee report?

Second, the relation of this legislation to the environment. Both bills allow stationary source exemptions before May 15, 1974, if fuels become unavailable. The Senate bill says these exemptions cannot run beyond November 1, 1974. The House bill authorizes additional exemptions up to June 30, 1979, if fuels are unavailable, the exemption will not contribute to higher-than-standard pollution, and the person getting the exemption has been put on a schedule for compliance with air quality standards before June 30, 1979. The Senate bill makes no reference to auto emissions; the House bill extends the deadline. The House bill exempts for 1 year all actions under the act from NEPA. The Senate bill has similar exemptions for all action to occur within less than 1 year—but it requires sort of a mini-impact—environmental evaluation—statement within 60 days of any action taken.

Third, the antitrust provisions. Both bills allow voluntary marketing agreements under government regulation. In the House bill, these agreements are between companies; in the Senate bill, they are between private enterprise and government. Both bills exempt meetings to implement purposes of the Act from antitrust laws, as long as such meetings are carried out under government supervision. Both bills allow the FTC or Attorney General to modify or disapprove any voluntary plans. Under the House bill, such plans must be submitted to the FTC and Attorney General 10 days before implementation. Under the Senate bill, the Attorney General and FTC are involved in the development of the plan. What will we get out of conference?

Fourth, the international aspects of this legislation. Under the Senate bill, exports can be limited under the Export Administration Act, which is amended for purposes of this bill, to exclude the requirement of abnormal foreign demand. In the House bill, the Administrator of the FEA may restrict exports "as he deems appropriate.' He may use existing statutory authority, but he does not have to. He must take into account historical trading relations with Canada and Mexico. The Senate bill requires the President as part of his allocation and contingency planning to develop plans with other countries to meet worldwide shortages. There is no comparable provision in the House bill. Which provisions will the conference committee go with?

Fifth, the assistance that this bill gives to those harshly affected by this legislation. The Senate bill provides for direct FHA and SBA loans to improve insulation and heating equipment. In addition, tax deductions are provided for energy conserving alterations of taxpayers' residences. There are no such provisions in the House bill. The Senate bill authorizes unemployment assistance to those thrown out of work by energy conservation measures who would not otherwise qualify for compensation. The House bill simply requires a report on the problem. What are we likely to get out of conference?

Sixth, administration of the bill. The House bill establishes the Federal Energy Administration. The Senate bill does not contemplate it. What will the conference committee do?

Seventh, excess profits. The House bill requires that prices be set to eliminate excess profits. There is no such provision in the Senate bill. What are we likely to get out of this conflict, keeping in mind that we have a pretty strong Senator heading the conferees of the other body?

I am particularly disappointed that neither bill deals with the supply problem by encouraging increased production in any comprehensive way, other than by calling for reports by various agencies.

I am informed that 35 of the 55 amendments we will be considering were offered and rejected in committee. This suggests that their life in conference is seriously in jeopardy if passed, and completely dead if rejected. Therefore, I hope that the Members will realize that a lot of the time they are going to spend on these amendments will not be fruitfully invested, and will seriously weaken the bargaining power of our Representatives to the conference in dealing with other basic differences between the House and Senate bills. In view of complexity and seriousness of the problem which this legislation attempts to deal with, we should send our conferees into conference in the strongest possible position.

Mr. PRICE of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Kentucky. It is difficult for me to stand here and listen to this body put a restriction on what they call windfall profits of oil companies and coal companies. Are we ever going to let free enterprise in this country do anything, or are we going to continue to legislate?

Who is going to determine the windfall profits of these companies? What about the management of one company versus another company? What if one company, because of the free enterprise system, explores and invests millions of dollars of its own money and investors' money to discover a new oil field or a new gas field or a new coal field. Then we are going to, under this legislation, use the last 5-year-profit average of all of the companies? To me, that does not make sense.

That is not free enterprise, and we are not going to solve the energy crisis by putting restrictions upon the peoples' initiative in the companies of America, regardless of whether they are a coal company or an oil. This will set a precedent in my estimation, to have controls on excessive profits upon any company in this country. Therefore, Mr. Chairman, I feel that this entire section should be stricken from the bill.

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

Mr. PRICE of Texas. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding. I rise in support of the amendment offered by the gentleman from Kentucky.

Mr. McCLORY. Mr. Chairman, Illinois has vast reserves of coal which can help supply the much needed energy of this Nation. These coal reserves are of particular importance to American industry. Coal is readily available. It is to be found in Illinois in generous supply, and can satisfy the needs of industry and commerce, as well as many of the residential requirements of our Nation.

However, Mr. Chairman, the American way is to increase production consistent with the profit motive. In other words, if we are going to encourage a greatly expanded mining of coal, we must make it attractive and, indeed, profitable to the mine operators, as well as to the many miners who will be employed in satisfying this great and almost unlimited source of additional energy.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Kentucky (Mr. CARTER) for the very reasons which he has stated and because I firmly believe that this amendment is essential if we are to induce mine operators and miners to produce the added coal which can benefit the energy requirements of all of the American people.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I come from an energy starved area of these United States. I suppose that was one of the reasons that, starting in 1970, I was privileged to chair a subcommittee of the Small Business Committee that started looking into this energy situation. We soon came to the conclusion that we were going to have an energy crisis. We could not get many to believe it, but it is here now and we finally believe it.

But, since I am from an energy-starved section of this country, I am interested in more energy, No. 1. Now, some talk about coal companies as if they are all big companies—and some of them indeed are; in fact, big oil owns 25 percent of all the coal reserves in the United States. Continental Oil Co., which owns Consolidated Coal Co., owns 10 percent by itself. But, I am convinced, after spending a little time down in the big coal areas of this country, that Continental Oil or Consolidated Coal, whichever we wish to call it, is not the one that is going to furnish extra coal in a year or two. It takes a company like that 2 or 3 years to turn around. If we are going to have an increase in coal production in the next year or two, it is going to come from the little operator.

Some utility company which converted from coal to oil 2 years ago, when we needed more coal instead of converting to oil, is going to go to a coal broker and buy a certain number of tons of coal.

He is going to go to some subbroker, and eventually it gets down to a little operator down there in Appalachia. If he can get about a 3-year contract from that broker, he will go in and get a loan at the bank and buy a used truck and a used crane.

The coal is there. They know where it is. A small producer makes his arrangement on a royalty or other basis, and he produces coal.

What happened to coal prices during this period of time? TVA was paying about $4.50 for coal 3 years ago, and after small operators by the hundreds were driven out of business, it went up to $8.50. We had a tremendous change in the coal industry during that period of time.

What I am trying to tell the Members is this: If we get more coal in the next year or two, it has got to come from those little operators. We cannot get it from those little operators if they cannot secure a profit margin that is different from the one prescribed in this bill. The "windfall profits" definition does not describe windfall profits at all, but in the case of coal would be a price ceiling at a level too low to encourage production.

Mr. Chairman, I am interested in energy, getting more energy instead of depending on imported oil which may not be available, and we are not going to get more coal energy in the next year or two if we do not adopt the amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield for a question?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, I am very interested in what the gentleman is saying.

In view of the gentleman's chairmanship of the subcommittee that looked into this matter, could the gentleman tell us from those hearings whether the same thing would be true with respect to oil?

We are directing our attention through this amendment just to coal operators, but are there not some small operators of oil wells that would be in a similar situation? Would that be true?

Mr. SMITH of Iowa. To some extent.

Mr. ANDERSON of Illinois. I am referring to stripper wells.

Mr. SMITH of Iowa. That is true to some extent, but I do not think it is a parallel situation. I really do not believe the situation is exactly parallel because the investments required in oil drilling are so large that one cannot start out overnight as one can in a little coal mining operation. In other words, the flexibility in oil is not what it is in the coal industry.

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

Now, Mr. Chairman, I do not think that I need your gavel, as powerful as it is, to get the attention of the Members of this Committee.

Now, Mr. Chairman, I came in here and answered the quorum call. Then I went out to a room over here on the left—where that was is none of your business—and when I came out of that room, I came back on the floor here and I found out what is going on.

Now, I have been here a long time, and I can believe almost anything. But I just cannot believe, after what I have been going through for the last several months, that any Member in this House, beginning with oil people, would make such a proposal. Do I understand correctly?

Mr. Chairman, I will just ask the gentleman from West Virginia (Mr. STAGGERS). Do I understand that in this can of worms there is a proposal to include the coal people in this weird business?

I am speaking of coal. Are they serious? Is this so?

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

Mr. FLOOD. Yes, indeed.

Mr. STAGGERS. Mr. Chairman, the word "coal" is in the windfall profits section.

Mr. FLOOD. C-o-a-l?

Mr. STAGGERS. Yes. The gentleman from Kentucky has offered an amendment to strike it out.

Mr. FLOOD. Perhaps we had better laugh out of the other side of our faces.

Let me tell the Members something. I have been here since the memory of man runneth not to the contrary, and I have voted for oil proposals of all kinds since 1945.

Now, we have heard the coal people were talking. I presume they talked to the gentleman. I understand the gentleman from Pennsylvania (Mr. DENT) was talking, as well as several other coal people; I suppose they were.

These people are all soft coal people; they are from bituminous, soft coal. Half of you people cannot spell it.

I am from the anthracite, possibly the only hard coal man in the House. McDADE has a couple of spoonsful left and YATRON has a few, and that is about all of the great anthracite clean coal.

In 1924—now here this, because you have my bowels upset—in 1924 I had 64,000 men, 64,000, working underground in my district. There were 64,000 digging anthracite coal for you. Do you know how many I have today? Well, I am not drinking. I have not had a drink in 4 years, because the doctor says I cannot. Do you know how many I have working today underground digging anthracite coal for you? 220. Not 220,000 but 220 men. Not 64,000 but 220 men.

Everybody is calling me day and night, including you, and writing me letters day and night saying "What about coal? We have to have coal; we should have coal." Well, I have the coal. I have millions and hundreds of millions of tons of coal that I can take out with a teaspoon. And we are going to start doing it. You have to have coal.

Four to five years profit on coal? You are out of your cotton-picking mind, my southern friend. Five years of profit in what? Do not give me any 5 years of profits. There ain't been no coal.

Mr. ICHORD. Will the gentleman yield?

Mr. FLOOD. I yield to the gentleman.

Mr. ICHORD. Will the gentleman tell us why he has only 220 men now working, in his opinion?

Mr. FLOOD. Because we have been helping the people, coal people, to supply the fuel and now there is no coal and coal is coming in from all over the world.

I am for oil and I was for it 1,000 percent. Before you got here I was for oil and for cotton and for peanuts, and I do not know one end of a cow from the other but I have been for it and for agriculture bills for 100 years.

This is coal. Do not touch coal. Support that amendment. We have to have coal last night and tomorrow.

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

Mr. Chairman, I rise to pose a few questions. Not only this bill but this amendment and this debate seem somewhat contradictory. I wonder if the proponents or the opponents could answer a question.

If we are to stimulate coal production through this amendment, how do you explain away an objection, that these permissible windfall profits come out of the pockets of the consumer? If I were a consumer advocate at this point, how would that question be answered?

Mr. CARTER. Will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. CARTER. There have been none during the past 4 years except for one year, 1970. If you take the averages, there would be no windfall profits whatever. This is a defined term within that, and according to this legislation there could not be any profits if you took that average.

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

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

Mr. DENNIS. I would like to support this particular amendment, but I think the gentleman's question may deserve a little more fundamental and wide-ranging answer.

The real point here is, of course, that we are not, in this whole bill and in this section, doing anything to create or increase the supply of oil or coal or gas or anything else.

And the only way we are going to do it, really, is not by controls or allocation or price fixing, it is going to be by letting the price rise on a scarce commodity so that people can make some money to go out and look for it. That is the case with coal, and that is the case with oil, and that is basically what we should be doing about it.

Mr. DERWINSKI. That is a very valid point. It would seem to me that it would be logical that the same principle would apply to the other items, oil, natural gas, and so on.

Mr. DENNIS. That is right. It is argued that rising prices bear harder on the poor, and, of course, any price ranging upward bears harder on the poor, but if we do not recognize that the prices for scarce energy will rise there is not going to be any work as industry shuts down, and, in that case, there will not be any people who will have any money to buy anything, at any price. And we are just kidding ourselves in most of this stuff.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of Iowa. Mr. Chairman, I thank the gentleman for yielding. Let me say that if we do not increase the production of coal, and if we do anything to discourage increased production of coal, then we will become more heavily dependent upon imported oil, and it will permit imported oil to get a higher and higher price. So the consumer can be

helped only by the increased production of coal, and this amendment helps provide a way to increase the production of coal.

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

Mr. DERWINSKI. I am happy to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I thank the gentleman from Illinois for yielding to me, and I want to associate myself with the remarks made by the gentleman in the well, and those of the gentleman from Indiana (Mr. DENNIS).

In answer to the question proposed by the gentleman in the well, I would tell my consumers that temporary higher prices that deregulation is in their interest and are but a signal in the marketplace to increase production which ultimately is the only way to reduce shortages. What this Nation needs is not only fuel conservation, which we all desire, but further incentives to increase the production of our vital fuel resources.

Profits will assist in the accumulation of capital necessary to find new sources of energy and for research into the development of methods for liquefaction and gasification of coal. That is what we ought to be doing for the consumer. We must restore incentives required in this high-risk business to search for new gas and oil.

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

In closing, Mr. Chairman, I direct an observation to the comments made by the gentleman from Pennsylvania (Mr. FLOOD). While I understand why his coal miners have disappeared, sons of those Pennsylvania coal miners are now spread across the 50 States with athletic scholarships playing college football.

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

Mr. Chairman, I take this time simply because of the way the parliamentary situation has developed. I want to explain what I propose to do.

The gentleman from Kentucky has, because of the Rules of the House, in offering a very limited amendment, proposed striking from this section 117 only those alleged windfall profits which apply to coal. Now, because of the Rules of the House, if a member of the Committee on Interstate and Foreign Commerce seeks recognition at the same time I do, they will be recognized before I will. The gentleman from Michigan (Mr. DINGELL), a member of the committee, insists that he be recognized next to offer an amendment having to do with the conservation of fuel by limiting unnecessary busing.

I want the House to know that as soon as I can get recognition I am going to offer a substitute for whatever remains of section 117 at that point in time. If the gentleman from Kentucky has his amendment adopted, all of that section will remain except that part of the section having to do with coal.

It defies description to me that this House would adopt, when we are trying to get energy, an exemption on the one hand with respect to coal, and on the other hand to completely reverse itself with regard to other suppliers of energy. I expect this coal amendment to be adopted, and I am going to support it, but to those Members who are interested in exempting windfall profits in the instance of coal, do not forget that those products which come from coal are not just energy; in the future, in an ever-increasing way, some of those products are going to take the form of petroleum products in one form or another and thereby be subject to the remaining limitations of the section.

So there is only one fair thing to do, and I will point out to you why this section is totally unworkable when that time comes. Under the rules of the House, now adopt this limited amendment and then adopt a substitute for the remainder of the section which I am going to offer whenever I can get recognition. The adoption of this coal amendment, however, will probably cause the defeat of my substitute amendment.

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

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

Mr. PEYSER. I thank the gentleman for yielding. Since this is the time for observations, I should like to observe, just having checked at the desk, that at the present rate we are going on this amendment—I think we are ready to vote and pass this amendment—there will be over 32 hours of debate, and I should like to suggest that we now vote on this amendment.

Mr. WAGGONNER. I accept the gentleman's suggestion, but because of the confusion if it takes 64 hours rather than 32 hours, I will be sitting waiting to offer this substitute when the time comes.

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

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

Mr. KEMP. I thank the gentleman for yielding. I join with the gentleman in support of this amendment of the gentleman from Kentucky—I will also join him in his amendment. I just want to point out there was a statement made earlier on the floor from the well that evidences some confusion as to who is drilling wells in this country. It is my understanding that 60 or 70 percent of the wells in this country today are drilled by independent drillers, many of whom have gone broke and out of business recently because of "windfall losses."

Profits are the incentive to go into this high-risk business and I support Mr. WAGGONNER in his amendment attempt.

Mr. WAGGONNER. I will tell the gentleman that the people who are cold who ask for heating oil, or who cannot get gasoline when they drive up to that gas pump do not ask who supplies it. All they want is the product.

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

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

Mr. ROY. I thank the gentleman for yielding.

I will inform the committee that at the proper time I will offer an amendment to exclude the small independent operator. I do not know whether that will be prior to Mr. WAGGONNER'S amendment or not.

Mr. WAGGONNER. If the gentleman will just stay in his seat until I get recognition, it will not be prior to it.

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

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

Mr. MYERS. I thank the gentleman for yielding.

Mr. Chairman, I certainly am going to support this amendment because we must recognize that we have two responsibilities here, one of which is to get a limited amount of energy to the right sources. The second is, we must also look down the road to provide energy for the future, and coal is the greatest resource we have.

I do have one question. The gentleman may not be able to answer it, but maybe the author can. How will this affect companies who do not have fuel holdings? They will have other sources of energy besides coal. They will have 75 percent of energy in other types, but they also have coal. How will this amendment affect them?

Mr. WAGGONNER. I do not know about the amendment, but logically, should it apply, nothing will affect anything other than those prices and those profits which stem therefrom, having to do with the products mentioned here.

Mr. MYERS. Only that section of the amendment, then, pertaining to coal still would encourage development of our coal resources of the country; is that the gentleman's judgment?

Mr. WAGGONNER. Yes, sir.

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

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

Mr. WINN. I thank the gentleman for yielding.

I just wonder if the gentleman from Louisiana would tell us the thrust of this amendment of which he speaks.

Mr. WAGGONNER. The thrust of the amendment which I will propose when I can get recognition will be to strike all that remains of section 117 and provide that we utilize this law and the Economic Stabilization Act of 1970, as amended, to permit no more than reasonable profits and require the administration to submit legislation to us which will permit the Congress to limit profits to a reasonable level.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, because of the clear inference that has been made immediately here, that the coal industry lacks profitability, I had my staff counsel do some inquiring, and I supply for the benefit of my colleagues the following figures on the rate of return on investment by the coal industry. In 1967, 9.2 percent; in 1968, 9.2 percent; in 1969, 7.6 percent; in 1970, 14.4 percent; in 1971, 8.4 percent. This, I believe, is a rather respectable picture of profitability rather than the bleak picture of the lack of profitability.

I think that at least this record should reflect that fact before we vote upon this.

I thank the gentleman from Washington for yielding to me.

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

Mr. ADAMS. I yield to the gentleman from California (Mr. WALDIE).

Mr. WALDIE. Mr. Chairman, just an observation from a Member who does not represent any of the energy extracting industry but who may be exhibiting the type of reaction that an awful lot of people in this country might have who may be listening to this debate. It seems to me the way the energy industry is being described on the floor of the House today that while this country is in an enormous crisis and suffering from lack of energy and all Americans being asked to make great sacrifices in their schools and in their hospitals and in their homes because there is not enough energy, the energy industry apparently is sitting on inventories of energy sufficient to meet the needs of the people of this country. They will continue to sit on those energy inventories unless they are given substantial profits to get them out and onto the marketplace.

Where in the world is the equivalent sacrifice on the part of the energy industry that we are asking of our people? When we have been confronted in past times in history with similar crises in this country and there were not sufficient voluntary responses by the people, there was compulsion on the part of the Government to force a response from the people. The draft of young men to fight wars is such an example.

The energy industry, if the voices I am hearing on the floor today are representative of the energy industry, is eliciting that sort of compulsion. This country will not tolerate and neither should they tolerate inventory supplies of energy being sat upon until such time as exorbitant profits are guaranteed to stimulate the extraction and marketing of energy.

The people are entitled to better than that, and if the energy industry does not provide better than that under this system, then there will be a different means of obtaining an appropriate sort of response from the industry.

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

Mr. ADAMS. I yield to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Chairman, I would like to ask the gentleman if the coal companies cannot carry forward a tax loss over previous years to the next 5 years? Perhaps they cannot under a ruling of the Renegotiation Board, but under the present Tax Court ruling they would be able to carry forward losses of the previous 5 years to the next 5-year period. I am wondering whether or not they could do it with the coal industry, which would tend to question the validity or need of this amendment.

Mr. ADAMS. To whom did the gentleman from California address his question?

Mr. BELL. Either to the gentleman from Washington or to the gentleman from California (Mr. Moss) if he is aware of that.

Mr. ADAMS. The tax loss carry forwards are for a 5-year period to the best of my knowledge.

Mr. BELL. Would not a coal company loss be a valid loss to be carried forward for 5 years? I know there may be a difference between tax rulings and Renegotiation Board rulings, but this is a matter, which I feel sure the Board ruling would consider the same way as the Tax Court would. That is that coal companies with previous years losses, would be able to carry those losses forward for the next 5 years. If this is true what is the need for this amendment?

Mr. ADAMS. I do not know.

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

Mr. ADAMS. I yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, I do not know anything about how the industry itself handles its tax profits but the gentleman must understand that there is something completely different in coal. For instance, in a coal mine we have to have great areas of land. We cannot start a coal mine with 1,000 acres.

Mr. BELL. Mr. Chairman, I would like to ask the gentleman from Oregon, the vice chairman of the Ways and Means Committee, that question.

The CHAIRMAN. The time of the gentleman from Washington has expired.

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

Mr. Chairman, I do not want to take more than a moment but I do want to say this. In order to mine coal we have to deal sometimes with hundreds of landowners. We do not deal with just one individual, except in extraordinary cases where they may have had a whole estate going back to the early days, with thousands of acres. But right now, today, we can go out and buy the coal under the ground and we have to pay the man who owns the surface so much. Would a Member take a million dollars for his land to have coal mined out of it, and have the land be destroyed in a sense, in order to make 9 percent, or would the Member take a million dollars and sell the land to a housing development? And that is what is happening to us. We have lost 80,000 to 90,000 acres of good metallurgical coal because we cannot mine under the ground once structures have been put on top of it. We are not dealing with the same situation as with an oil well. When we get oil, we turn a valve and get it out of the ground. The coal makes dirt. It makes a dirty, messy situation.

And today to open a coal mine, one has to spend $100,000 to get a mine that will produce 1,000 tons a day. It would be better to take the $100,000 and put it into any investment today. I just noticed a new issue of a bond the other day which pays 11¾ percent. We do not have to worry about anything if we dig a coal mine and take the chance the Arabs will change their minds a year from now, turn the valves loose, and we will be sitting there with a coal mine because no one will buy coal.

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

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

Mr. CARTER. Is it not true that yesterday the gentleman and I received this information which I gave this House and we went over it together as to the profits of 1970? I want to make that clear.

Mr. DENT. But the increase in coal production, the new mines that have been opened in the last 14 and 15 months in this country, do not have a 5-year carryover.

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

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

Mr. FLOOD. There is one thing I would like to make perfectly clear, and for the oldtimers who have been here, did they ever think they would live long enough to hear FLOOD of Pennsylvania down here as a mouthpiece for the coal companies? Did they think I would be a mouthpiece for these coal barons?

There are 100,000 miners dead from black lung disease who will turn over in their graves right now, who know what I am talking about. If they think I am here arm grabbing for these old-line coal barons that raked and destroyed my area in the State of Pennsylvania, just remember that I am not afraid to say no, certainly not.

I would agree with the gentleman, I have for years and said so long before the gentleman did against such outrageous profits.

The fact of the mater is that "there just ain't no profits" and the one man in the House, the gentleman from California, is trying to outshine me with that red coat. If there is one man I would hope today after hearing what I said today in connection with coal. I would expect him to join with me in support of this amendment, and that would be the gentleman from California. He has been here a long time. He knows what I said.

The gentleman will not see me defending excess profits for the money—grabbing barons; and by the way, the foreign landlords, the barons from New York and Philadelphia, who destroyed my people and destroyed my country; me support them? They must be crazy.

Mr. DENT. Mr. Chairman, this is the only Nation on the face of the earth that does not allow a complete writeoff of capital expenditures for mineral resources before any taxes are made on profits. This is the only Nation that does not allow coal mining or any other mining to develop anything in the natural resources field. Unless we take out the money we put in first, then we can pay the taxes. That is why we have had no exploration. That is why we have had no development of coal. If we had gone on the basis of coal development, the Arabs could no longer thumb their noses at us.

Mr. CRANE. Mr. Chairman, I move to strike the requisite number of words. I just want to make a brief comment.

It is in response primarily to the suggestion of exorbitant profits in the energy fields.

I have the profit figures for Shell Oil, one of the larger oil companies, from 1968 through 1972. The only reason I would like to read these into the record is that there have been published recently reports of the great increase in profits of the oil industry. The media has observed that Gulf Oil had a 91-percent increase this year over last.

Exxon reportedly had an 80-percent increase in profits this year over last. I suspect that there are some uncritical headline readers who assume they are talking about profits when they say the figures are 91 percent and 80 percent. The fact is, that is a percent of increase over last year's profits. If your profits last year were 5 percent for example, and reached 9 percent this year, that would represent an 80 percent increase in profits between the 2 years. To get a handle on what last year's profits were, I can give the Members some figures for that period.

Last year, Shell's profits were 5.4 percent; in 1968, they were 7.9 percent; they dropped in 1969 to 6.8 percent; in 1970 they were 5.5 percent; and in 1971, they were 5.1 percent.

As I say, last year they were 5.4 percent, hardly an exorbitant profit, particularly when we realize that the Government was paying 10 percent on its notes to anyone who was inclined to make that kind of investment, and so were banks.

One other point in this connection is the cost of creating jobs. Since 1965, we have suffered from the baby boom population coming out of the World War II era. This means that we have been trying to create jobs twice as fast over the past 8 years as we did in the preceding 20-year period. That baby boom population is still going to be hitting the job market during the remainder of the years of this decade. In terms of what financing is necessary to create jobs, it costs better than $20,000 to create a job, and we are going to have to create them still at these or higher levels. When we get into such esoteric fields as petrochemicals, the cost to industry to create a job can easily run as high as $125,000.

Mr. Chairman, I would only suggest to the gentleman from California that he might peruse those figures before making the kind of reckless indictment of industry profits contained in his remarks.

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

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

Mr. HOSMER. Mr. Chairman, I think it would be interesting at this point to ascertain what is the usual rate of return on capital generally considered in this country to be required to attract equity capital in order to expand the production of coal and oil? I understand that it is around 12 to 15 percent in order to be able to compete for money against other kinds of activities; is that correct?

Mr. CRANE. Yes, that is correct.

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

Mr. CRANE. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I thank the gentleman for yielding to me. I want to commend him for providing this information to the House.

It seems to me that the greater danger in this energy crisis is to listen to those who say that there is no energy crisis, and who suggest that the inventories of oil and gas should be disposed of as a solution to this energy crisis. This, of course, is a disservice to the whole subject of our deliberations here today because the fact is that the inventories of oil and gas are down, and that is one important reason why we are anticipating and endeavoring to meet the serious energy crisis which is confronting us.

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

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

Mr. BELL. Mr. Chairman, I thank the gentleman for yielding to me. I take the microphone for the purpose of asking the gentleman from Oregon (Mr. ULLMAN) chairman of the Ways and Means Committee, a question.

I wanted to ask him, inasmuch as this has a definite pertinence to the matter at issue, as to whether coal companies could get the benefit of a tax carry forward. Obviously, if they could, there would not be a great need for this amendment. I am asking the gentleman from Oregon if he would try to clarify that matter.

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

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

Mr. ULLMAN. Mr. Chairman, one of the problems with this legislation is the fact that it, of course, does not amend the tax code. It is not within the jurisdiction of the committee. Therefore, it does not take into consideration the normal tax laws.

The renegotiation board obviously would make its own rules and regulations with respect to profits, but it would not have to relate to the income taxes imposed at all.

Therefore, because it does not relate to the income tax code, there is nothing in the legislation that would require the renegotiation board to consider that, so that is one of the problems we tried to deal with in this way.

It seems to me the most meaningful way to handle excess profits or windfall profits would be within the tax code. It would be my hope that early next year we might be able to deal directly with this problem by putting into the tax code an excess profits section.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I had promised the gentleman from Texas I would yield to him before my time expired, so I yield to the gentleman at this time.

Mr. PRICE of Texas. Mr. Chairman, I thank the gentleman for yielding.

I agree with the gentleman's remarks and I appreciate the fact they have been placed in the record.

When the time comes, I will offer an amendment to deregulate gas at the wellhead as a means of stimulating, first of all, the energy in this country.

I believe we must make use of what we have available at the present time, and this would be a proper approach.

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

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

Mr. PREYER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I should like to point out that the purpose of this windfall profits section is to provide that both the coal and oil industries put money into exploration and into more efficient ways of producing. But I am extremely impressed by the statement of the gentleman from Pennsylvania (Mr. DENT).

The gentleman from Pennsylvania (Mr. DENT) stated that one of the years in the 5-year period was the only year in which coal made a profit. For that reason I will offer an amendment, when I have an opportunity so to do, in the event that this amendment fails—because I think his points are well taken—to provide that with respect to coal, the highest of the 5 years should be available for coal, with respect to the minimum profit level which would be protected.

Now, the result of that amendment would be that with respect to percent of profits on sales, coal would then be limited to 7½ percent, that is, its highest year, whereas oil would be determined on its average for 5 years, which is just about the same. It is 7.7 percent.

Incidentally, if it is calculated concerning net worth, the highest year for coal would be way up to 14 percent, so it would not be oppressive if that formula were used.

Mr. Chairman, in the event that the amendment now on the floor should fail, I will attempt to offer that amendment, because I think the position of the gentleman from Pennsylvania (Mr. DENT) is well taken, and I would not wish to restrict coal unduly, as opposed to other fuels.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I appreciate the gentleman's yielding.

I am intrigued, Mr. Chairman, by all the discussion about restrictions on margin of profits concerning the oil companies and coal companies of anywhere from 5 to 15 percent.

I think it is appropriate here to recognize that the return on investment to the farmers of this country is only 3.4 percent.

Mr. STAGGERS. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from Kentucky (Mr. CARTER) conclude in 5 minutes, and that the gentleman from Minnesota (Mr. FRASER) and myself may divide the time.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, some of the statements made in the debates seem to me to miss the problem that we are faced with. There is no assurance that if we permit windfall profits in the coal industry, those profits are going to be reinvested rather than paid out as dividends to the shareholders.

There has been talk about trying to rewrite this or some other restriction on profits to require reinvestment, but that is not in here. If we take out the restric-

tions on coal, they can enjoy windfall profits, and they can pay this out in the form of dividends to the shareholders, and there is no requirement that the money be reinvested.

Mr. Chairman, I represent the consumers' interest in energy, and I know that in my State the purchasing power of wage earners is down by 3 to 4 percent in relation to what they were able to buy a year ago. That is because of inflation. Now, they are being asked to pay more for fuel oil and for gasoline, and they are going to be asked to accept shortages.

What we are seeing now is that despite the fact that the average working person in the United States is worse off today than he was a year ago, and now he is going to pay more for energy, the big oil companies who own the coalfields are going to be given a blank check to make windfall profits under a scarcity situation which has been exacerbated by the Middle East war.

I find that to be intolerable. I think it would be one of the biggest ripoffs on the working people of this country ever perpetrated in all the time that they have been called upon to make sacrifices.

This amendment ought to be defeated. The proposal by the gentleman from Texas (Mr. ECKHARDT) to give some relief to the coal industry by using the highest of the annual profits of the last 5 years is a more defensible proposal.

However, to ask the working people of this country to allow the coal industry, which is owned by the oil industry, to make windfall profits while the prices they have to pay for these products go up is incredible.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. I may say to the gentleman from Minnesota that we, too, are consumers. I have voted for some 40 years for every foreign aid bill that has ever come before this body. I voted for subsidy programs for the farmers even though we are the consumers. We buy the products that they grow, and we pay for it. I have voted against the ceiling price that they were trying to put on farmers last year. Why? Because I thought they had an opportunity at last to make some money with which they could pay for those mortgages that they had and to buy new farm machinery so that they could grow more and sell it for less. That is all. I am speaking as a consumer representing consumers, but I want those who produce, whether they are farmers or coal companies or oil companies or whatever it is, to make a profit because that is the kind of a government we live in. I know they have to make a profit, and I want them to make a profit. Without a profit they will not raise cattle or grow corn or mine coal. That is the kind of government we have. If you can get it done without that, it would be a happy day, but we just cannot do it.

My fine friend from Texas would put a 7½ percent profit lid on, but I say if you are going to do it in this field, let us extend it to the other products. Let us extend it to automobiles and to all of the other things. The depletion allowance is what killed the coal business.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. CARTER).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 256, noes 155, present 2, not voting 19, as follows:

[Roll No. 661]

AYES—256

Alexander	Frey	Murphy, Ill.
Anderson, Ill.	Fulton	Murphy, N.Y.
Andrews, N.C.	Fuqua	Myers
Annunzio	Gaydos	Natcher
Archer	Gettys	Nelsen
Arends	Giaimo	Nichols
Armstrong	Ginn	Nix
Ashbrook	Goldwater	O'Brien
Baker	Goodling	O'Hara
Barrett	Gray	O'Neill
Bauman	Green, Oreg.	Owens
Beard	Gross	Parris
Bevill	Gude	Passman
Blackburn	Haley	Patman
Blatnik	Hamilton	Perkins
Boggs	Hammer-schmidt	Pettis
Bowen	Hanrahan	Pickle
Bray	Hansen, Idaho	Pike
Breaux	Hansen, Wash.	Poage
Brinkley	Harsha	Powell, Ohio
Broomfield	Hastings	Preyer
Brotzman	Hays	Price, Ill.
Brown, Ohio	Hébert	Price, Tex.
Broyhill, N.C.	Henderson	Pritchard
Broyhill, Va.	Hicks	Quillen
Buchanan	Hillis	Railsback
Burgener	Hogan	Randall
Burke, Fla.	Holt	Rarick
Burleson, Tex.	Hosmer	Rhodes
Butler	Huber	Robinson, Va.
Byron	Hudnut	Robison, N.Y.
Camp	Hungate	Rogers
Carter	Hutchinson	Roncalio, Wyo.
Casey, Tex.	Ichord	Rose
Cederberg	Jarman	Rostenkowski
Chamberlain	Johnson, Colo.	Rousselot
Chappell	Johnson, Pa.	Roy
Clark	Jones, Ala.	Ruppe
Clausen, Don H.	Jones, N.C.	Ruth
Cleveland	Jones, Okla.	Ryan
Cochran	Jones, Tenn.	Sandman
Collins, Tex.	Keating	Sarasin
Conable	Kemp	Satterfield
Conlan	Ketchum	Scherle
Crane	Kluczynski	Schneebeli
Culver	Kuykendall	Schroeder
Daniel, Dan	Landgrebe	Sebelius
Daniel, Robert W., Jr.	Landrum	Shipley
Davis, Ga.	Lent	Shriver
Davis, S.C.	Litton	Shuster
Davis, Wis.	Lott	Sikes
de la Garza	McClory	Sisk
Denholm	McCollister	Skubitz
Dennis	McCormack	Slack
Dent	McDade	Smith, Iowa
Derwinski	McEwen	Snyder
Devine	McKay	Spence
Dickinson	McKinney	Staggers
Diggs	McSpadden	Stanton, J. William
Dingell	Madden	Steed
Dorn	Madigan	Steelman
Dulski	Mahon	Steiger, Ariz.
Duncan	Mailliard	Stephens
Edwards, Ala.	Mallary	Stratton
Eilberg	Maraziti	Stubblefield
Esch	Martin, Nebr.	Stuckey
Eshleman	Martin, N.C.	Sullivan
Evans, Colo.	Mathias, Calif.	Symington
Evins, Tenn.	Mayne	Symms
Findley	Melcher	Talcott
Fisher	Michel	Taylor, N.C.
Flood	Milford	Teague, Calif.
Flowers	Minshall, Ohio	Teague, Tex.
Flynt	Mizell	Thomson, Wis.
Ford, William D.	Mollohan	Thornton
Forsythe	Montgomery	Towell, Nev.
Fountain	Moorhead, Calif.	Treen
Frelinghuysen	Moorhead, Pa.	Udall
	Morgan	Ullman
		Vander Jagt
		Veysey
		Waggonner
		Wampler
		Ware
		Whitehurst
		Whitten
		Widnall
		Williams
		Winn
		Wylie
		Wyman
		Yatron
		Young, Alaska
		Young, Ill.
		Young, S.C.
		Young, Tex.
		Zablocki
		Zion
		Zwach

NOES—155

Abdnor	Foley	Moss
Abzug	Fraser	Nedzi
Adams	Frenzel	Obey
Addabbo	Froehlich	Patten
Anderson, Calif.	Gibbons	Peyser
Andrews, N. Dak.	Gilman	Podell
Ashley	Gonzalez	Quie
Aspin	Grasso	Rangel
Badillo	Green, Pa.	Rees
Bafalis	Griffiths	Regula
Bell	Grover	Reid
Bennett	Gunter	Reuss
Bergland	Guyer	Riegle
Biaggi	Hanley	Rinaldo
Biester	Hanna	Roberts
Bingham	Harrington	Rodino
Boland	Hawkins	Roe
Brademas	Hechler, W. Va.	Roncallo, N.Y.
Brasco	Heckler, Mass.	Rosenthal
Breckinridge	Heinz	Roush
Brooks	Helstoski	Roybal
Brown, Calif.	Hinshaw	St Germain
Brown, Mich.	Holifield	Sarbanes
Burke, Mass.	Horton	Seiberling
Burlison, Mo.	Howard	Shoup
Burton	Jordan	Stanton, James V.
Carey, N.Y.	Karth	Stark
Carney, Ohio	Kastenmeier	Steele
Chisholm	Kazen	Steiger, Wis.
Clancy	King	Studds
Clawson, Del	Koch	Thone
Clay	Kyros	Tiernan
Cohen	Latta	Van Deerlin
Collins, Ill.	Leggett	Vanik
Conte	Lehman	Vigorito
Conyers	Long, La.	Waldie
Corman	Long, Md.	Whalen
Cotter	Lujan	White
Coughlin	McCloskey	Wiggins
Cronin	McFall	Wilson, Bob
Daniels, Dominick V.	Macdonald	Wilson, Charles H., Calif.
Danielson	Mann	Wilson, Charles, Tex.
Delaney	Mathis, Ga.	Wolff
Dellenback	Matsunaga	Wright
Dellums	Mazzoli	Wydler
Donohue	Meeds	Yates
Drinan	Metcalfe	Young, Fla.
du Pont	Mezvinsky	Young, Ga.
Eckhardt	Miller	
Edwards, Calif.	Minish	
Fascell	Mitchell, Md.	
Fish	Mitchell, N.Y.	
	Moakley	
	Mosher	

ANSWERED "PRESENT"—2

Rooney, Pa.	Smith, N.Y.

NOT VOTING—19

Bolling	Holtzman	Stokes
Burke, Calif.	Hunt	Taylor, Mo.
Collier	Johnson, Calif.	Thompson, N.J.
Downing	Mills, Ark.	Walsh
Erlenborn	Pepper	Wyatt
Gubser	Rooney, N.Y.	
Harvey	Runnels	

So the amendment was agreed to.

The vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DINGELL TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. DINGELL. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by Mr. STAGGERS.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment in the nature of a substitute offered by Mr. STAGGERS: Page 7, line 21, strike out the first period and the quotation marks.

Page 7, insert after line 21 the following: "(k)(1) Except as provided in paragraph (3) of this subsection, no provision of the regulation under subsection (a) (including a regulation under subsection (h)) may provide for allocation of any refined petroleum product to any person (including a State or

political subdivision thereof, or State or local educational agency) if the product so allocated will be used for the transportation of any public school student to a school farther than the public school closest to his home offering educational courses for the grade level and course of study of the student within the boundaries of the school attendance district wherein the student resides.

"(2) Any energy conservation plan proposed under section 105 of the Energy Emergency Act and any regulation under this section for allocation of petroleum products for transportation of public school students shall have as its purpose conserving refined petroleum products by reducing to the minimum the distance traveled by such students to and from the schools within the school attendance district in which the student resides. Such plans shall be formulated in consultation with the affected State and local educational agencies.

"(3) Nothing in this section shall prohibit allocation of refined petroleum products for student transportation to relieve conditions of overcrowding; to meet the needs of special education; or where the transportation is within the regularly established neighborhood school attendance areas.

"(4) This subsection shall not take effect until August 1, 1974."

Page 32, line 14, strike out "(k)" and insert in lieu thereof "(j)".

POINT OF ORDER

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

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

Mr. ADAMS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Washington reserves a point of order against the amendment.

The CHAIRMAN. Some Members stated yesterday they were concerned about the procedure. It would be helpful to the Committee in providing for an orderly procedure if Members of the Committee would cooperate and have order.

The Chairman does not expect to proceed in the proceedings of this Committee except when the Committee is in order. It would be helpful to the Committee if Members will take their seats and if they will refrain from conversation.

PARLIAMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. DINGELL. Mr. Chairman, I note that the gentleman from Washington (Mr. ADAMS) has reserved a point of order. I assume that I am to address myself to the amendment at this time, and will later be recognized for the purposes of addressing myself to the point of order.

The CHAIRMAN. The gentleman is correct.

Mr. DINGELL. Mr. Chairman, this is an amendment which is offered by me on behalf of a large group of colleagues, among whom is Mr. HUBER, my colleague and friend from the State of Michigan, who I think perhaps originated the concept of this particular amendment. Also sponsoring the amendment, among our other colleagues, are Mr. SATTERFIELD, Mr. LENT, Mrs. GREEN of Oregon, Mr. HOGAN, Mr. WAGGONNER, Mr. FLOWERS, Mr. COLLINS of Texas, and Mr. MILFORD.

Mr. Chairman, this amendment says that no petroleum, no refined petroleum product will be allocated for purposes of transportation of schoolchildren farther than the neighborhood school nearest their homes. It refers to public schools and to public school children and not to private schools or to private school children. It does allow for allocation of petroleum products for transportation for special education and to alleviate conditions of overcrowding.

I would point out that the "overcrowding" referred to is overcrowding limited solely to conditions where the school board acts to abate genuine overpopulation.

Under section 105, which is a related section, any plans which are submitted regarding conservation of energy which relate to transportation of public school students, must have as their purpose the conservation of refined petroleum products by reducing to the minimum distance, the distance traveled by students to and from schools within the school attendance district of the students' residence.

The amendment establishes the clear policy of this Congress that transportation of students to school shall be for the minimum distance, and it says that we will so construe our allocation programs of refined petroleum products.

I had the other day the Library of Congress make a study of the number of schoolbuses, the distances schoolbuses travel and the amount of gasoline and other refined petroleum products utilized. According to the National Association of School Bus Contract Operators, there are about 290,000 schoolbuses in the United States serving public and private institutions. The average mileage for these buses is estimated to be 5 miles per gallon. The average daily run is 60 miles per schoolbus, and it is estimated by the association that schoolbuses operate approximately 180 days per year. This last figure can be verified through the usual State statutes which relate to the number of days under which schoolchildren will be required to attend the schools under State law.

The estimated consumption for the schoolbuses is 626,400,000 gallons. The figure is arrived at by the appropriate multiplications of the figures just cited. The National Association of School Bus Contract Operators has estimated that busing to achieve racial balance will use approximaely 12½ percent of this figure. This comes out to be 78,300,000 gallons of gasoline which will be saved by the amendment.

In Prince Georges County, which is adjacent to Washington, D.C., it was estimated that enforced schoolbusing for racial balance uses up about 750,000 gallons per year.

Obviously, if we say that we are going to have gasoline in scarce supply subject, according to this morning's paper, to a 5 percent cut; subject to broad allocations to achieve public purposes, then it becomes plain that it is necessary for us to allocate this scarce resource in the best fashion.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 4 additional minutes.

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

Mr. CONYERS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

POINT OF ORDER

The CHAIRMAN. The gentleman from Washington (Mr. ADAMS) has reserved a point of order.

The Chair will hear the gentleman on his point of order.

Mr. ADAMS. Mr. Chairman, I make a point of order against this amendment.

Mr. Chairman, I think this is one of the most important points of order that we will argue in this session of Congress.

As the Chair is well aware, under rule XXIII, the Chairman of the Committee can cite the point of order regardless of rulings of the Speaker.

The Chairman has full discretion.

Mr. Chairman, I make the point of order that this amendment is not germane. It is not germane under several propositions:

First, it does not apply to the fundamental purposes of the bill.

As is set forth in Cannon's Precedents and in Hind's Precedents, it is required that any amendment be to the fundamental purpose of the bill. The fact that the bill contains many subjects does not necessarily mean that another subject can be added.

I refer in particular to the ruling of the Chair in 5 Hind's Precedents, 5825, which states as follows:

While a Committee may report a bill embracing different subjects, it is not in order during consideration in the House to introduce a new subject by way of amendment.

Now, this subject, the busing of schoolchildren, is a new subject by way of amendment.

I also make the point of order, Mr. Chairman, that this must be germane to the particular section or paragraph to which it is offered. There is nothing in this paragraph on schoolbusing, and on the second page of the amendment, there is a reference to section 105 as well as to section 103.

Mr. Chairman, I make the point of order on the basis of germaneness that this is not germane, because it deals with a subject matter that is foreign to the subject matter of the particular paragraph. And I quote now from 8 Cannon's Precedents, 2918, which was a bill from the Committee on Interstate and Foreign Commerce, in which they were dealing with child labor in interstate commerce and an amendment was offered to apply this to foreign commerce, and the Chair ruled as follows:

It seems to the Chair that most of the gentlemen who argued in favor of this proposition have discussed the power of Congress to regulate both interstate and foreign commerce rather than the question of whether the proposition regulating foreign commerce is germane to a bill regulating interstate commerce. Two subjects are not necessarily

germane to each other because they are related.

The Chair believes this is a bill to regulate child labor and interstate commerce and, therefore, that an amendment proposing to extend it to foreign commerce is a different matter and not in order.

Further, in Cannon's Precedents, under 2951, there is this proposition:

An amendment proposing to add an individual proposition to a bill embodying another individual proposition is not admissible even though the two propositions belong to the same class. To a bill providing for insurance for crews of vessels an amendment providing for insurance for sailors transported on such vessels was held not to be germane.

Now, in this bill, Mr. Chairman, we are providing for allocation of fuel products, and it seems to me that this precedent which provides that we cannot add an amendment applying to those who were being transported on a vessel, is directly in point, and that the amendment offered by the gentleman is not germane.

Mr. Chairman, I would further state that in this particular matter we are dealing with the fundamental purpose of the bill. The fundamental purpose of this bill is not to regulate the busing of children. That is before the Committee on Labor and Education.

Under the principles set forth in VIII Cannon's Precedents, section 2911, it is clearly stated of child labor, which was particularly involved there, that you could not extend the proposition.

Therefore, Mr. Chairman, because this is not germane to the section to which it is offered and because it involves not being germane to the fundamental purpose of the bill because it is not germane even though there are several subjects embraced in this bill, I therefore make a point of order against it.

I now yield to the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I, too, would like to make a point of order against the amendment because the Committee on the Judiciary spent a great deal of time considering the various constitutional problems associated with schoolbusing, and it come properly within the jurisdiction of the Committee on Education and Labor and not this committee. I do not think that we should, in a bill dealing with trying to solve an economic crisis, deal with matters attempting to correct racial imbalances by means of busing of schoolchildren.

Mr. ADAMS. Mr. Chairman, I finish my argument by stating in V Hinds Precedents, section 5825, despite the fact that this bill has within it a number of different subjects, it is not in order to introduce a new subject by way of amendment.

Mr. Chairman, the regulation of schoolbusing through the allocation of fuel or the failure to allocate fuel is introducing a new subject into this bill. Even though there are many subjects involved in it, it is one that is not properly before the Committee at this time.

Therefore, Mr. Chairman, I urge that the point of order be sustained and that the amendment offered by the gentleman from Michigan be ruled out of order.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. DINGELL. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan may proceed.

Mr. DINGELL. Mr. Chairman, my good friend from Washington has made a most eloquent and moving statement regarding germaneness. It is regrettable that he has apparently not read the amendment which he discusses, because I read in the amendment nothing which refers to matters under the jurisdiction of the Committee on the Judiciary, nothing relating to enforced schoolbusing, nothing relating to civil rights.

Quite to the contrary, Mr. Chairman, I read into the amendment the conservation of energy, the conservation of petroleum products, the conservation of refined petroleum products.

Mr. Chairman, my friend from Washington cited a great number of precedents, and again I say it is most regrettable that he has not bothered to read the amendment which is before us, because the amendment before us relates to the conservation of energy as does the bill before us.

For the assistance of the Chair and my good friend from Washington, for whom I have an abundance of affection and respect, I will read now from page 442 of the Rules of the House of Representatives, under rule XVI, clause 7, which is a rule relating to germaneness and which was not cited by my good friend from Washington, and to read under the annotations thereunder this language:

Whether or not an amendment be germane should be judged from the provisions of its text rather than from the purposes which circumstances may suggest.

The text is before the Chair. The Chair has read the text, I am sure, in his preparation for ruling upon the matter before us.

This amendment relates to allocations of products. It is specifically a prohibition upon the allocation of products. Section 103 to which this amendment is drafted is an amendment to the Emergency Petroleum Allocation Act of 1973. Section 103, as the Chair will note, at page 4, line 4, relates to priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment to such users of rights entitling them to obtain any such oil or product in precedence.

The amendment directs the President as to the way such users may receive oil. It refers in line 11 of that page 4 to transportation services. We transport hundreds of thousands of children in school buses. This relates to the kind of allocation and priority of the users of that kind of transportation.

Further down in the same page, page 4, it refers again at line 17 to the President to cause such adjustments in the allocation. Again, at line 19, the word "allocation"—as may be necessary to provide for the allocation of crude oil, residual fuel oil, or any refined petroleum product.

Again at the bottom of page 4, line 24, "The President shall provide for procedures by which any user of such oil or product for which priorities and entitlements are established under paragraphs 1 and 2."

It provides for petition and review and reclassification and modification of any determination regarding priorities.

At page 5, lines 1 through 4, and on the following page 6, under line 4, the term "allocation" is again referred to.

Coming now to page 7, section (j)——

The CHAIRMAN. The Chair will tell the gentleman from Michigan that, unless the gentleman wishes to continue, that the Chair is ready to rule.

Mr. DINGELL. Mr. Chairman, I would just like to continue for a moment, if I may.

The amendment is an amendment to section 103, which relates to allocation. The provisions of section 105, which are referred to, properly are treated in this particular amendment.

Mr. Chairman, I am prepared to reserve any further comments.

The CHAIRMAN (Mr. BOLLING). Unless there are other Members who desire to be heard on the point of order, the Chair is prepared to rule.

The Chair has had the opportunity to examine the amendment for some hours—in fact, for approximately 1 day. The Chair has diligently searched the precedents. The Chair finds that the point of order made by the gentleman from Washington (Mr. ADAMS) that the amendment offered by the gentleman from Michigan (Mr. DINGELL) is not germane to the amendment in the nature of a substitute, is not good.

The Chair would like to describe why.

The amendment is offered to section 103 of the amendment in the nature of a substitute which deals with the authority of the President to establish rules for the ordering of priorities among users of petroleum products. Section 103 specifies that in ordering such priorities, the maintenance of vital services in the areas of education and transportation is to be emphasized. The amendment of the gentleman from Michigan (Mr. DINGELL) restricts the authority bestowed upon the President by the pending substitute and by the portion of the Emergency Petroleum Allocation Act which is proposed to be altered. The amendment refers to fuel allocation regulations to be issued under the act, and is germane.

The Chair must, therefore, overrule the point of order.

PARLIAMENTARY INQUIRIES

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ADAMS. Mr. Chairman, as I understand the present situation, we have pending a substitute, and the amendment of the gentleman from Michigan (Mr. DINGELL) to the substitute.

Am I correct that no amendment is in order to the amendment offered by the gentleman from Michigan (Mr. DINGELL) at this point.

The CHAIRMAN. The Chair would request the gentleman from Washington to restate the precise language of the gentleman's last sentence.

Mr. ADAMS. Mr. Chairman, is it correct that no amendment is in order to

the amendment of the gentleman from Michigan (Mr. DINGELL) which is presently pending?

The CHAIRMAN. The gentleman is correct.

Mr. ADAMS. Mr. Chairman, my second parliamentary inquiry is this: That, assuming this amendment is disposed of, either voted down or—and we will assume first that it were to be adopted—would a further amendment to this subject matter at a separate point in this section be in order?

The CHAIRMAN. A further germane amendment to the bill could be offered.

Mr. ADAMS. To the section, but not to the particular language if it is adopted, is that correct, the House having acted on this language?

The CHAIRMAN. The essence of the answer that the Chair will give is that one cannot amend an amendment that is adopted.

Mr. ADAMS. I thank the Chair for its ruling.

Mr. STAGGERS. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I am going to, if I can, realizing the emotional issue we have before us, ask for limited time before we get into this issue.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 30 minutes.

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

Mrs. GREEN of Oregon. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STAGGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at 2 o'clock.

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

Mrs. GREEN of Oregon. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STAGGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at 2:30.

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

Mr. MILFORD. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Chairman, I move that all debate on this amendment close at 2:30 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for a little less than 1¼ minutes each.

The Chair recognizes the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan (Mr. DINGELL).

All of us are keenly aware of the tremendous impact which the fuel shortage is having on all our lives. At the same time that strenuous efforts are being made to conserve gasoline, great quantities are being used in the experiment of forced busing of pupils in the public schools. These policies have long since been criticized on the basis of their own merits—or lack of merit. Now—in light of the fuel crisis, it becomes even more necessary that logic replace theory in the matter of busing.

It has long been my conviction that the schoolchildren have been used as political pawns in an arena of ridiculous experimentation. Unfortunately, when public policy has been considered, whether by HEW or the Congress, the feelings and wishes of the students are the last to be considered. Yet, they are the ones who are most directly affected.

In addition to this, no one yet has presented any proof that busing contributes to the quality of education, but there is a convincing amount of evidence that it has created untold confusion, disruption, and inconvenience for those who have been forced to accept its burden.

This amendment would simply place limitations on the allocation of petroleum products, consistent with our national supplies, and public policies of conservation. It seems to be a reasonabile approach in the context of the times.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, it seems strange to me that an amendment would be proposed for the purpose of cutting out an activity that a great many Members do not like but which the Supreme Court has held is necessary so that children can have an equal opportunity.

We allow oil to be allocated and it will be allocated for all kinds of recreational and nonessential purposes but here is an educational purpose and we say no oil for this purpose.

This is a discrimination against the poor children and it helps the rich children. Why? Because the rich children can be bused and they are bused into my district every day. They will continue to be bused and they will get the gas for that. But if a community has a program so that a poor child should be bused so he can get a better education—no gas for that. What kind of nonsense is this?

We have voluntary programs in our city were kids can go from a school they find is not sufficient to a better school a little farther away. That would be cut out by the amendment.

I find it unbelievable that with a bill which does not prohibit use of oil for recreational purposes and for going hunting in the gentleman's State and for all kinds of nonessential purposes, we are saying no oil can be used for kids to have a better education.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MIZELL).

Mr. MIZELL. Mr. Chairman, in the latest edition of U.S. News & World Report magazine there is a story on the effects of the energy emergency on the Nation's education systems, and the thrust of the article is well summarized in the opening paragraph, which reads:

Nowhere is the foreboding over fuel shortages sharper than among the people who run America's schools and colleges.

Already it is becoming clear that for most of the country's 60 million students and 3 million teachers, winter will be a season of disrupted education, discomforts and discontent.

Further on in the article, there is this passage:

Busing is being curtailed and in a few cases eliminated. Nobody seems to know whether there will be enough gasoline available to continue massive busing programs ordered by the courts to achieve racial integration.

Mr. Chairman, as my colleagues know, I have raised this point already several times in recent weeks, and I raise it again today.

In four school districts in North Carolina, more than 1 million gallons of gasolines are being wasted every year in order to comply with court-ordered massive forced busing programs.

Translated into national terms, the waste of precious petroleum resources is staggering indeed.

The cost of the policy of forced busing in terms of children's safety and in terms of the shortage of money available for legitimate educational needs has always been a source of great concern to me.

But now, in the midst of an energy emergency, the cost of this policy in terms of wasted energy is truly astounding and totally without warrant.

I urge my colleagues to join me in voting for passage of this amendment to rid the Nation's educational systems of this costly and needless burden, and plug a gaping hole in our Nation's energy reserve at the same time.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, of course, I am very ashamed to be in this Chamber today. It is interesting that an amendment is made which is totally irrelevant to the major national energy crisis that we are discussing. In explanation of the amendment, the mover indicated what percentage of gas is used for achieving racial balance—pursuant to the law of this land—and then we get a ruling that this matter has nothing to do with racial balance, and is germane.

Given other circumstances, I probably would have appealed the ruling of the Chair, and I think the time has come for us to begin doing things like that.

The big problem we confront here is the problem of a crisis in energy. I think our problem has been that we have not called upon the oil companies who have, indeed, benefited from the profits, to make the sacrifices. We are now looking to the children of our land to make the sacrifices. We are permitting the children to be utilized in scandalous demagoguery. I think this amendment impugns the motives of all of us who are Members of this body. We should not be subjected to this kind of amendment when we are dealing with a serious problem.

POINT OF ORDER

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

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the remarks of the gentlewoman in the well, that they violate the rules of the House and impugn the motives of the gentleman from Michigan.

The CHAIRMAN. Does the gentleman from Maryland ask that the words be taken down?

Mr. BAUMAN. Mr. Chairman, I demand that those words be taken down. If the gentlewoman is going to want to enforce the rules of the House, let us do just that.

Ms. ABZUG. Mr. Chairman, if I recall my remarks, if I may add, I said that the purposes of an amendment like this can only be demagogic or racist. I do not know that that in any way impugns the motives of the gentleman from Michigan.

Mr. BAUMAN. Mr. Chairman, I renew my demand.

Mr. DINGELL. Mr. Chairman, could I be heard?

The CHAIRMAN pro tempore (Mr. MCFALL). Will the gentleman from Maryland indicate the words objected to?

Mr. BAUMAN. I submit to the body that the use of the words "demagogic and racist" is impugning the motives of the gentleman from Michigan and it violates the rules of this House.

Mr. DINGELL. Mr. Chairman, could I be heard on the point of order?

The CHAIRMAN pro tempore. The Chair will state to the gentleman, there is no point of order. There is a demand that the words be taken down.

The Clerk will report the words objected to.

The Clerk read as follows:

Ms. ABZUG. An amendment like this can only be demagogic or racist because it is only demagoguery or racism which impels such an amendment like this.

Mr. DINGELL. Mr. Chairman, I rise with a unanimous-consent request.

The CHAIRMAN pro tempore. The Chair would say to the gentleman from Michigan that the business of the Committee is now suspended until the words are reported, so that the Chair cannot recognize the gentleman for a statement at this time.

Mr. DINGELL. Mr. Chairman, I rise then on a point of privilege.

The CHAIRMAN pro tempore. That is not entertained in the Committee on the Whole.

The Clerk will report the words objected to.

The Clerk read as follows:

Ms. ABZUG. An amendment like this can only be demagogic or racist because it is only demagoguery or racism which impels such an amendment like this.

The CHAIRMAN pro tempore. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCFALL, Chairman pro tempore 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. 11450) 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, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Chairman of the Committee of the Whole House on the State of the Union reports that during the consideration of the bill H.R. 11450 certain words used in the debate were objected to and on request were taken down and read at the Clerk's desk and does now report the words objected to to the House.

The Clerk will report the words objected to in the Committee of the Whole House on the State of the Union.

The Clerk read as follows:

Ms. ABZUG. An amendment like this can only be demagogic or racist because it is only demagoguery or racism which impels such an amendment like this.

The SPEAKER. The Chair is prepared to rule.

On May 4, 1943, the first session of the 78th Congress, at pages 3915 and 3916 of the CONGRESSIONAL RECORD, Speaker Rayburn held:

Statement by Newsome of Minnesota that, "I do not yield to any more demagogues," held not in order.

It is the opinion of the Chair that the statements reported to the House are within the framework of this ruling, and without objection the words are therefore stricken from the RECORD.

The Committee will resume its sitting.

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. 11450, with Mr. MCFALL (Chairman pro tempore) in the chair.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Florida (Mr. YOUNG) for approximately one and one-quarter minutes.

Mr. YOUNG of Florida. Mr. Chairman, I yield back my time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Indiana (Mr. HILLIS) for one and one-quarter minutes.

Mr. HILLIS. Mr. Chairman, I rise today in support of the amendment to the Energy Emergency Act offered by my distinguished colleague from Michigan, JOHN DINGELL.

The Dingell amendment provides that there be no fuel allocation for the transportation of any school aged child beyond the public school nearest his place of residence given that school can adequately provide for the child's needs. In light of the critical energy situation now being faced by our Nation, I find this amendment both reasonable and necessary.

The amendment offered by Mr. DINGELL would not be placed into effect until August 1974, therefore, the present school term would not be disrupted and each child affected forced to adjust to a new school and a new teacher in midterm. Children living far from any public school as well as those children requiring special classes would receive transportation as fuel would be allocated for these purposes under the provisions of the amendment. Furthermore, it is estimated that by halting the busing of schoolchildren away from the nearest public school, our Nation would be saving literally millions of gallons of fuel per year.

Since the Dingell amendment would result in a sizable and necessary fuel savings and since this amendment would not disrupt the present school term thus harming our public school children, I strongly urge my colleagues in the House to support this amendment.

Mr. Chairman, I yield my time to the gentleman from California, Mr. WIGGINS.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. WIGGINS) for approximately 2 minutes.

Mr. WIGGINS. Mr. Chairman, I thank the gentleman from Indiana for yielding to me.

Mr. Chairman, I am compelled to observe that there may be an unexplainable hum in the RECORD at the point where the words were stricken.

Mr. Chairman, I rise in reluctant opposition to the amendment proposed by the gentleman from Michigan (Mr. DINGELL). I would like to suggest that the very serious question of whether or not young children should be bused in order to implement guarantees of the 14th amendment is one which the Congress should address itself to, but that this is not the time and the bill before us is not the vehicle for doing so.

To me this is much like the Congress denying to the Supreme Court energy and power, because we are unhappy with its decisions.

Mr. Chairman, I am not a supporter of busing. I opposed the busing of children as an appropriate tool for implementing the 14th amendment.

Nevertheless, Mr. Chairman, I will say to the Members that this bill is not the vehicle for achieving a worthy end, and I earnestly request that my colleagues oppose the pending amendment.

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

Mr. WIGGINS. Of course.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague for yielding. I appreciate the very scholarly approach and the careful consideration which my colleague, the gentleman from California, takes on this subject.

However, is it not true that Federal funds are many times involved in the implementation of busing programs, and especially for school busing? This is a bill that relates to fuel, and I really cannot understand why we cannot address ourselves to that subject through this amendment.

Mr. WIGGINS. Clearly, we can, but I suggest that we should not at this time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Virginia (Mr. DOWNING).

(By unanimous consent, Mr. DOWNING yielded his time to Mrs. GREEN of Oregon.)

The CHAIRMAN pro tempore. The Chair recognizes the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, several months ago the people of my State were asked to take specific steps to conserve energy. By and large I think the American citizens will make the necessary sacrifices on an individual basis when facing any real national crisis. The majority, the big majority, will respond to a national crisis in a very commendable way if—and I put the emphasis on the word "if"—if they believe their sacrifices are borne in an equitable and in a fair way.

They may not like it, but in the national interest and in their own long-range self-interest, they will go without, if they see others, also, going without, and if they do not see unnecessary waste, by some, of scarce resources. As more and more families are living in cold rooms; as more and more cars are stalled because they have run out of gas; or as more cars cannot be used on Sundays for "unnecessary" driving; as more and more elderly citizens are forced to walk instead of ride; as more and more tractors and other farm machinery remain idle, then, Mr. Chairman, I suggest that people will believe their sacrifices are not fair nor necessary if scarce supplies of oil and gasoline are allocated for other purposes which are unnecessary.

I suggest that asking elementary and secondary school students to even walk to neighborhood schools would be far more reasonable than sacrifices demanded of others.

Mr. Chairman, we are all advised that walking and jogging are two of the best exercises possible for children or for adults.

One of my grandsons gets up early every morning to go jogging with his father. Then, 2 hours later, a bus comes by his house to transport him to his school so he will not have to walk.

What utter and absolute nonsense—and especially so at a time of a national energy crisis. Let us, at least, stop some of this nonsense by supporting the amendment offered by the gentleman from Michigan.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in opposition of this amendment, I am wary that this bill may be amended to death.

I hope that my colleagues do not get the impression, because of all the amendments being offered that this bill is so faulty that it should be recommitted. While this bill is not everything I had hoped for, our backs are against the wall, and it is important to get this bill to the White House before Christmas.

Like many of my colleagues, I share a distaste for expanding the powers of the Presidency. But it sickens me when it is necessary to expand the President's powers to cure a crisis when the crisis was brought about to a large extent by the very failure of the Chief Executive to act when he should have.

It is almost like rewarding another branch of Government for incompetence.

Last year at this time, General Lincoln was in charge of our oil policy. How many successors has he had? Four? And how many times has our national oil policy been changed in the past year? Five?

No wonder we are in today's mess.

The fuel shortage today in New England is especially critical.

On Tuesday, the Members of the New England congressional caucus were briefed by the electric utilities of our region concerning the serious problems ahead. They told us that they have a 25-day supply of heavy residual fuel left. After that is gone, New England utilities will have a daily shortage of residual oil of 34 percent. This means electricity generation will have to be cut by one-third.

This means some hard choices for New England. It means stricter energy conservation programs. It means Government-mandated closings of schools, offices, and industries.

And it could mean the complete shutoff of electricity for several hours on a rotating basis. This is not scare talk; this is an objective appraisal of New England's fuel situation. Let me tell how the utilities would impose the program of "rotating blackouts." They would shut—

> Off . . . power to all circuits that do not serve critical public facilities for periods of two hours (two hours off—two hours on), two days a week, for a total of sixteen hours of service interruption. If this does not equalize the supply and demand, rotation of the same circuits would be extended to four days, and then to six days. At that point, New England, in effect, would be almost completely shut down.

These utilities generate 70 percent of New England's electricity by burning residual oil. But half of their supply has been cut off by the Arab oil embargo.

Utilities are not the only essential consumers of fuel in New England. Ninety percent of our schools burn fuel oil and almost all of our industry. A large part of the Nation's paper, textile, plastics, and electronics industries are located in New England, and they are already suffering huge cutbacks in their fuel deliveries.

Even the company that makes the paper for the U.S. currency has had its fuel deliveries cut by 20 percent. That could mean a 20-percent cutback in production.

Meanwhile, the supply of gasoline in New England has become critical. There are several areas of New England where all the gas stations may be out of fuel between Christmas and New Year's.

For instance, in Berkshire County in western Massachusetts, there are 21 gas stations on the 20-mile stretch between North Adams and Pittsfield. Last year at this time there were 27 stations. All of the remaining stations are on allocation from their dealers, but the allocation schedules are a case study in bungling mismanagement by the major oil companies. Most of these stations will run out of gas for the month by December 21, and the last station expects to run out by Christmas Eve.

Christmas is a time for families to get together. But the major oil companies, by allocating gasoline so that dealers use up the entire supply by the middle of the month, and just before a peak holiday driving period, will be disrupting the plans of thousands of families in New England.

On top of all this, the administration announced yesterday that it was going to allow price increases of 8 or 9 cents a gallon for home heating oil.

This is unconscionable. How much more can be done to hurt the people of New England?

Last year at this time, home heating oil was 17 to 20 cents a gallon. Now it is 33 to 47 cents a gallon, and with this new price increase, consumers will be paying 41 to 56 cents a gallon.

Heating costs within a year will have tripled. It will cost the homeowner over a thousand dollars a year to keep his house heated—even at 68 degrees—in New England. A lot of people, especially the retired, those on public assistance, and those who make just enough to get by, are very worried about how they are going to survive.

If their electricity gets cut off periodically and they can not afford to heat their homes, I predict the hardy individuals of our New England country will march on Washington to demand action.

If they do not get the remedies they need, then I fear for the future of our form of government.

With that in mind, I urge my colleagues to do the best that they can with this bill and give the President these new powers he so unjustly deserves.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MILFORD).

Mr. MILFORD. Mr. Chairman, we are here today to enact an emergency energy bill. We are asking every American citizen to cut back at least 25 percent on his energy usage. The real energy shortage is still to come. At this time we are really only beginning to see the tip of the energy-shortage iceberg. Yet, hundreds of airline employees have already lost their jobs. Thousands of people in the petrochemical field are being laid off each day, hundreds of gasoline stations are closing, and so on.

Mr. Chairman, what I am trying to say is: "Every possible gallon of fuel must be conserved, otherwise, some will be going cold and many will be losing their jobs."

Regardless of what kind of a bill this House passes, we will have to have public acceptance before it will work. The vast majority of people in this Nation must agree with whatever action we take in this Congress.

Now, some will say that the amount of gasoline required to keep all schoolbuses in operation really is not very much—when compared to total usage.

Well, they may be right. But, try that argument on the pilots and air crews of our airlines who have just lost their jobs. Try that argument on the people in the Northeastern States as they sit in cold homes this winter. Just how convincing will that argument sound to blacks in South Dallas or whites in North Detroit—when they watch their children get on a bus—while at the same time they remain at home, because they have lost their job.

The forced busing of schoolchildren is one of the most emotionally charged issues of our time. The vast majority of the people of this Nation are strongly opposed to this practice. In my district—by actual referendum—the forced busing of children was voted down by almost 7 to 1, and that referendum was held over 2 years ago. Since then new court orders have been issued resulting in an increase in forced busing.

Recent polls now show that more than 88 percent of the people are firmly opposed to the forced busing of schoolchildren. In absorbing these figures. Please keep in mind that about 30 percent of the population is black.

Members who have not been faced with court-ordered forced busing right in their own district are not aware of the hardships created on the families involved. They are also not aware of the hard polarized emotional feelings that are brought on by this practice. Many are not aware of the real costs in money to the school districts, and the cost in fuel. For example, the Fort Worth School District has had to increase schoolbus routes by 42 percent solely to accommodate court-ordered busing. That means that fuel consumption has been increased by 42 percent. The Dallas Independent School District has experienced a similar increase in fuel consumption, because of court-ordered busing.

In other words, excess and nonessential busing of schoolchildren is requiring more gasoline while at the same time we are asking every American to use less.

Mr. Chairman, the Congress has expressed its will concerning forced busing. This body is clearly opposed to it. The American people have expressed their will. They are clearly against it.

Certainly, perhaps, a few lawyers and some social-planning bureaucrats are pleased that they have been able to bring on crosstown busing through the courts. But beyond those few, it is very difficult to find many Americans who really believe busing is the answer to any problem.

Well, my friends, it is time we put a stop to this practice. We can do it today with this amendment. Buses do not run without gasoline. This amendment denies no schoolchild an education. The fuel saved will help to heat a few more homes. It will help to save a few more jobs and it will make literally millions of people happier. It is now time for everyone to stand up and be counted. This amendment is pure and simple, with no "ifs," "and," or "buts." It says that no fuel will be allocated for the purpose of busing schoolchildren to any place other than their own neighborhood schools. I ask for your support of the Dingell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. LENT).

Mr. LENT. Mr. Chairman, I rise in support of the amendment of the gentleman from Michigan. It should be clear to us that during the current fuel shortage when people and hospitals and factories and farm operators are being asked to eliminate unnecessary lighting, to turn down their thermostats, and to generally do everything they can to conserve fuel, that we should attempt to have the Federal, State, and local governments set an example by limiting fuel use in every practicable way they can.

Certainly, Mr. Chairman, one of the most unnecessary and wasteful expenditures of fuel resources are the intricate, court-ordered busing plans which have been foisted upon local school districts, largely against their own wishes.

Many school districts are now finding it extremely difficult to even obtain bidders to supply their increased gasoline needs. Further, even if they have found a supplier which can meet their bloated gallonage requirements, it is only at substantially higher prices. They are being pressed to the financial brink by increased fuel costs, yet many are cast into the perplexing position of having to defy a Federal court order should they not be able to obtain gasoline.

It seems ludicrous that when there is serious talk in many areas of the Nation of closing down schools because there will not be enough heating oil, that we should continue to waste enormous amounts of gasoline in order to send schoolchildren hither and yon, in the nebulous name of racial balance. Certainly, Mr. Chairman, a continuing education is for more important than an interupted one in a school away from a student's neighborhood, and I am hopeful that we will have the good sense to adopt this amendment.

Mr. McKINNEY. Will the gentleman yield?

Mr. LENT. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I thank the gentleman from New York.

Mr. Chairman, I am deeply troubled by the continuing desire of the House to handle vital national questions through back door amendments. This bill is a vital bill on energy. The question of schoolbusing disturbs our entire Nation. The vital question of energy policy should not be endangered by this issue.

Far more important, however, the House, if busing is such an important issue to America, should face the issue, as the issue and not shirk it in the name of energy conservation.

At this time in our history, the people of this country are looking more than ever at the Congress for leadership.

We owe them that. We need to stop our continual abdication of responsibility on the issues in front of the Nation.

I hope that the amendment will fail. If simply and purely has no place on this legislation.

I fervently pray that Congress will prove itself and assert itself on the issues of the Nation. We have no one to blame but ourselves for our failure and for our voting in the eyes of the people.

We abdicate power: Gulf of Tonkin, phase IV, the energy bill, more importantly we abdicate by inaction on the important issues of the day. We must to survive as a Nation face these problems and answer them, not avoid them.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I oppose the amendment for very specific reasons. This amendment would prohibit any busing to a school within an attendance district farther than the closest school. In the Goose Creek school district in my district the only way the Harlem school is permitted to continue to exist as a neighborhood school is by a majority-minority transfer, voluntarily, of black students away from the Harlem school and of white students to the Harlem school. If you deny gasoline for that purpose, it means that the school district cannot continue this program and cannot maintain Harlem school as a neighborhood school.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Chairman, first let me say that it is pretty obvious that this issue does to a certain extent go outside the direct question of energy. But, quite frankly, this bill takes in many subjects that are outside the limited approach that I would like to have seen come out of the committee.

If we are going to broaden the purpose of this bill it seems to me that this is one of the areas we should address.

We have a tremendous problem with busing, the cost of it, and the use of gasoline to accomplish the purpose. In this way we can express our feelings on this issue and our opposition to the cost and principle of needless busing. I hope the amendment carries.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan (Mr. DINGELL).

Mr. Chairman, I rise to support the amendment oflered by the gentleman from Michigan (Mr. DINGELL), and to associate my remarks with those of the gentlelady from Oregon (Mrs. GREEN). She has ably pointed out that the American people will gladly make sacrifices in their personal lives if they have evidence that all segments of our country are equally exercising the restraint necessary to meet our current energy condition.

It is surely difficult to establish a cooperative spirit among our citizens when people see that our precious fuels are being used for controversial purposes such as the busing of our schoolchildren. Indeed, I have received several letters from constituents asking why they should take steps to conserve fuel when they see around them what they have called "overwhelming conspicuous consumption" by others, including the Federal Government. Mr. Chairman, I tell my constituents that Federal officials are doing their part to save fuel, that Cabinet members have relinquished their limousines, that the lights are darkened around our national monuments, that thermostats are lowered in Federal buildings.

Mr. Chairman, I regret to say that these steps are not sufficient. They are commendable, to be sure, but it will take more constructive action if we are to unite the Nation into a conservation outlook.

The busing of school children has seemed to raise more problems than it has solved. First, we have bused our children away from the virtues of physical fitness. There is much to be said for encouraging children to walk or ride their bicycles to school when it is safe for them to do so. Further, aside from the constitutional conflict busing imposes by judging people by condition of race, busing has not even proven to be effective in upgrading the standards of education. Indeed, in this morning's Washington Post we have an article entitled "Student Testing Stirs Debate." One of the theories discussed in this article states

that "even if education could be reformed so that all schools were equal, inequality between children would remain. The most important element in determining children's capabilities when they leave school—is the capabilities they bring to school with them."

We have an opportunity today to give impetus to a national conservation program. When people begin to see the Federal Government taking strong steps in many areas to conserve fuel, then they will assume responsibility in their private lives.

I urge my colleagues to set a strong example for the rest of the country by stopping busing in a serious effort to conserve fuel. When parents take meaningful measures to conserve energy at home, their children will have before them the example of a country striving in unity to overcome a complicated problem. For what better home environment could we ask?

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

Mr. ARCHER. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment and commend the gentleman from Michigan (Mr. DINGELL) for offering it. I had fully intended to offer a similar amendment myself.

I feel that one of the most obvious places we can look to save fuel during the energy crisis is in the unnecessary forced busing of public school children for other than educational reasons. This practice has grown to such mammoth proportions that we are literally wasting millions of gallons of gasoline each year that we continue it.

I do not want to hold out false hopes for the people of my State or the people of Mr. DINGELL's home State of Michigan that if this amendment is adopted and contained in the final version of the bill it will mean an absolute end to the forced busing presently mandated by the courts. There would probably still be legal questions to be settled and there is always the possibility that the courts could rule that busing must continue regardless of the need to conserve fuel.

Mr. Chairman, if I understand this amendment correctly, it would place a limitation on busing insofar as possible. Of course, there will continue to be cases where the use of schoolbuses will be necessary in rural areas. The intent of this proposal would be to do away with busing in cases where students are transported back and forth across town and county past their neighborhood schools just to satisfy an arbitrary quota set by some Federal judge.

One important point the Supreme Court has always overlooked in handing down their busing decisions is that forcing a child to go to a school other than the one of his choice or his neighborhood school is denying this child his rights under the equal protection clause of the 14th amendment. This point was made quite forcefully by constitutional experts in Senate debate recently.

The need to place limitations on forced busing has become even more acute in light of the fuel shortages. This is just further evidence that this unreasonable practice must be brought to a halt. Not only would the adoption and implementation of this amendment save needed gasoline, it would also result in a financial savings for our local school districts. Money now being spent on unnecessary buses, maintenance, and fuel could be put to better use buying needed educational materials.

Mr. Chairman, I urge adoption of the Dingell amendment.

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

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

Mr. MIZELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, a few moments ago someone said we were trying to deny gasoline to a poor child getting an education. I would like to refer my colleagues to an article that appeared in the New York Times of January 7, 1973, and it refers to the report of a special legislative commission established by the New York State Legislature and it is as follows:

BUSING IS DEEMED FAILURE

NEW YORK.—A special state legislative commission has concluded that "compulsory busing alone is failing as a means of integration" and that "that failure has resulted in a major cause of academic unrest."

The Temporary Commission to Study the Causes of Educational Unrest has recommended that to minimize strife, busing for racial balance in New York State must be accompanied by great efforts to change community attitudes.

"Where we found unresolved divergent attitudes," the eight-member commission wrote in its report, released last week, "we found discord, friction, polarization and eventual unrest."

Formed in 1969 by the governor and the legislature in the wake of college campus disturbance, the commission had its charge expanded in 1971 to include secondary schools, which the commission says have now replaced the campuses as the sites of unrest.

In addition to the busing issue, the commission says that much of the unrest in secondary schools is related to its finding that "statewide 50 per cent of the students will either drop out physically or remain in school as a mental dropout."

Such students are inadequately served by existing curriculums, the commission maintains, and they are prime candidates to become involved in gangs, drugs, robberies and other antisocial behavior.

Twenty-four of the report's 194 pages are devoted to the busing issue because of the commission's belief that it now generates more educational unrest than any other factor.

"It is not the numbers of children affected," the report asserts in connection with busing, "but the emotions and fears and concerns, justifiable or not, which have really led to the prominence of the issue in our present daily life.

"The result is that this school-oriented issue has assumed a social and political significance without direct relation to the numbers immediately involved."

Three steps are proposed by the commission as a means "to foster a positive concept of integration."

The first is the involvement in the planning process of all community groups, the second is the development of a strategy for building support and meeting opposition, and the third is the acceptance of the idea that integration should be started at the lowest grades and that it cannot "be accomplished all in one gulp."

"If the youngsters did not have to mix each day, all day, in a highly structured educational experience," the report says, "but rather if they had to mix only part of the week and at an unstructured level, such as play, shop, music . . . a more harmonious atmosphere and understanding of each other would result."

All I am saying, Mr. Chairman, is that this report clearly shows, that cross busing is not making any contribution to the education of poor children. Busing for racial balance is a failure.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. HUDNUT).

Mr. HUDNUT. Mr. Chairman, I rise in support of this amendment, the purpose of which is to provide basically that no petroleum products will be allocated for transportation of schoolchildren to any school other than the one nearest to their home where appropriate courses of instruction are being offered. The basic purpose of the amendment is to conserve fuel without at the same time denying any child his basic right to an education.

Mr. Chairman, I believe that the overwhelming majority of the American people support the concept of quality education in neighborhood schools. In this amendment, we are given an opportunity in the Congress not only to take an important step toward fuel economy, but also to reinforce our commitment to neighborhood school systems.

And the fact of the matter is, if children were transported to the schools nearest and most reasonably available to them, rather than across school district lines or across town, considerable savings of fuel would be affected. In my own city of Indianapolis, it is estimated by the city school system that during the course of a school year, if this amendment were in effect, 99,680 gallons of gasoline could be saved—because during the 178 school days in the school year, an average of 560 gallons of fuel are consumed each day to transport children to schools other than the closest available.

Furthermore, many of the public buses that run on diesel fuel are utilized in the transportation of schoolchildren, running an estimated additional 1,500 miles a day to transport children to schools beyond the closest available. Computed on the basic of a school year, it is estimated that 66,750 gallons of diesel fuel would be saved by the public buses involved in transporting schoolchildren each school year in Indianapolis if they were not required to transport children across school district lines and across town.

In one of the township school systems immediately adjacent to the city of Indianapolis, the superintendent of schools estimates that an additional 7,000 gallons of gasoline a year are used to transport students to public school facilities of a greater distance than the closest available. Sometimes, he notes, for a variety of reasons—special education being required for the trainable retarded, for example; overcrowded facilities necessitating some degree of flexibility of pupil assignment; interests of safety requiring that youngsters not be transported across high-traffic thoroughfares; and so on—children are not transported to the nearest school—and these seem like reasonable requirements. Nonetheless, it is still demonstrably evident that a fuel economy of 7,000 gallons per year could be

effected in this township by a curtailment on the number of miles school buses travel each day in order to transport students.

To take an example from another State, there are 151 school administrative units in North Carolina and in four of them, the consumption of gasoline by the public schoolbuses increased by 218 percent when transportation to schools other than the nearest available was required; and this represented a virtual waste of 1,118,908 gallons of gasoline in 1 year for these four school districts.

Mr. Chairman, if you multiply these examples by school districts all around the United States where students are being transported across school district lines and across town and across the county, the amount of fuel that could be saved by allocating gasoline and diesel fuel on the supposition that students will be bused to the closest available school, is literally astronominal. And in light of the energy crisis, it would seem most reasonable to support such an effort.

Of course, Mr. Chairman, what we are talking about here is the forced busing of schoolchildren to achieve racial balance as ordered by the courts. Many citizens have spoken to me about this, many constituents of mine, and the burden of their argument is that they cannot understand why we fail to make a correlation between the energy crisis and the court-ordered busing of schoolchildren to achieve racial balance which they regard as nonessential and undesirable. The busing seems to entail an enormous waste of gasoline at a time when we can ill-afford it. There are many reasons why 85 to 95 percent of the American people are against busing, and this is only one of them—busing strikes them as being "a needless and irrational aggravation of the energy crisis," to quote one of them, "since millions of gallons of gasoline are being consumed around the Nation carting schoolchildren for dozens of miles to fulfill the social engineering conceptions of liberal bueraucrats and jurists." The reason strikes me as compelling; and I hope my colleagues in the House will give it serious consideration and support this amendment.

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

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

Mr. BAFALIS. Mr. Chairman, the energy crisis facing our Nation today has become the issue of utmost concern to Americans everywhere. Headlines and news stories are making dire predictions of the negative impact this crisis is going to have on our life styles and our economy. Certainly in view of the fuel shortages we will be encountering, every effort should be made to cut back on unnecessary usage of gasoline. This only makes good sense.

In this regard, I feel Mr. DINGELL's amendment regarding the forced busing of our schoolchildren is particularly relevant. A prohibition of any further busing for the purpose of achieving racial balance in our classrooms would save untold amounts of fuel that could be put to a far more beneficial use in heating homes across the country or preventing cutbacks in American industry which could result in high unemployment rates.

I have long been opposed to this forced busing. In fact, I have even introduced a constitutional amendment to prohibit such foolishness. Busing made no sense when the gas tanks were full—and it makes even less sense now when every gallon of gas wasted can mean a cold home or another worker laid off.

There are those who will condemn this amendment as antiminority, but it is not. Rather, it is pro-American. This amendment offers us a way to save our precious fuel supplies and unlike the proposals for arbitrarily high gasoline taxes or emergency rationing, it is a step supported by the overwhelming majority of the American people.

I urge my colleagues to support the adoption of this extremely logical and much-needed amendment offered by the gentleman from Michigan.

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

Mr. HUDNUT. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I oppose this amendment as an unwise interference in the administration of public schools. I do so for several reasons.

First, it ill serves the long-term commendable good of the racial integration of public schools.

Second, it could prevent many students from taking part in worthwhile activities which may not be available at schools nearest their home.

I have in mind a district in which two high schools very unequal in size and programs are located. A student interested in drama or music would be prohibited by this amendment from using school buses to attend a more distant school where such activities occur. As a Republican, I hope the party will help substantially in rejecting this amendment.

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

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

Mr. BRINKLEY. Mr. Chairman, in support of the amendment offered by the gentleman from Michigan, I wish to cite figures from the Muscogee County school system, Columbus, Ga., which compares the enrollment, average daily attendance, and total school bus mileage for the 1970–73 school terms:

School year	Enrollment	Average daily attendance	Total yearly mileage
1970–71	43,459	35,946	544,230.8
1971–72	42,079	34,340	755,766.0
1972–73	40,276	32,832	741,762.0

As you will note from the above statistics, there has been an actual reduction in the number of enrolled students as contrasted with a dramatic increase in the schoolbus mileage required for intracity transportation.

Mr. Chairman, this amendment is very valid for two reasons. It would dramatically reduce gasoline requirements. The savings could be applied to quality instruction—remedial reading, smaller classes, personal instruction. These things are important, too.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DELLUMS).

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

Mr. Chairman, I came here 3 years ago with an extraordinary sense of idealism. I now find myself with a feeling of desperation, anguish, and cynicism. Today is another serious blow to my idealism. At a moment of great crisis in this Nation we find ourselves reacting, and not acting, following and not leading, often guided by expediency and not with principle. We in this body, it seems to me, must always do what is proper, what is right, and what is principled, and not what is demagogic, racist, and expedient. All of us who will vote for this amendment will probably receive reelection as a result of this absurdity and will come back in the 94th Congress to justify more expediency, and more game-playing.

I am not shocked, Mr. Chairman, and members of the committee, I am frankly ashamed of this body for what I know it is about to do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, I want to congratulate my distinguished colleague, the gentleman from Michigan (Mr. DINGELL) on his excellent amendment, and rise in support of it.

I would call on the support of all of the liberal Members of this Congress in support of this amendment, and I base this on an excellent factual story from the Washington Post, which is regarded as a final authority by so many liberals. I quote from the Post's morning news, which deals with the subject of the education of children, and it says:

> The number of books in the home, was more closely related to educational achievement than what happens in school.
>
> That finding closely parallels a major report on race and education in the United States done by Coleman himself for the U.S. Office of Education in 1966.
>
> The central thrust in the Coleman Report is that home is more important than school in affecting children's ability to read.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Michigan (Mr. HUBER).

Mr. HUBER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan. It is something I have long fought for, and I am pleased to find that it has bipartisan support. The day after the President's energy message, I addressed this body on this very topic. At that time. November 8, 1973, I suggested that the Congress and the President explore the avenues for suspending existing and pending court action that provides for the forced busing of schoolchildren. This would have no small amount of precious gasoline.

Let me cite just two or three examples as to how much fuel would be saved by this action. In the city of Richmond, Va., some 530,000 gallons of extra gasoline is burned per year to force bus students to schools. In Prince Georges County, Md., it has cost taxpayers some additional $1.2 million since January 29, 1973, for extra buses and drivers as

well as 750,000 extra gallons of gasoline per year.

The issue here is fuel conservation. So, let me just give one more example of fuel wasted for forced busing. In my own State of Michigan, the Pontiac School District has been under court-ordered busing since the school year of 1971–72. In the school year before the implementation of court-ordered busing, the Pontiac schools used 125,199 gallons of gasoline for school buses. The first year busing occurred, the schools used 257,935 gallons—an increase of 132,736 gallons strictly for the purpose of forcing people to go to schools they would probably not otherwise choose.

In fact, a recent Gallup poll showed that 95 percent of the American people, black and white alike, are opposed to forced busing. Since the people are opposed to it, and since the President has urged us to devise methods by which to conserve fuel, I can think of no better solution than to pass this amendment. It would be a wise move on the part of the House, for not only would it be a popular proposal with the people, but it would also help us to conserve our fuel supplies. More important than that, however, it is the right thing for the House to do. I urge adoption of Mr. DINGELL's amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I think the fact that this amendment has been offered gives reason for everyone here to halt for just a moment or two and realize what a bad bill we are voting on, what a bad bill we are considering. The fact that all of these amendments have to be hung onto this terrible bill indicate to me that none of us know what is in it, and I certainly include myself in that group.

This bill could have been written in a three-page bill. Every single item could have returned to this Congress for a vote. If we are concerned about busing, that could have been included in the energy conservation plan, and we could have voted for it. I just use this time to urge this body to carefully consider this bill, because if we pass it, it is really going to be America's Christmas turkey.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, with relation to the previous brief unpleasant episode in the House between the gentlelady from New York and myself, I should like to say that I do believe that each of our colleagues can and should be granted the assumption of proper motives for offering amendments in this House. I also believe that debate can be conducted on a civilized level, at least by most Members.

The Chair has shown the way in his rulings and his conduct last night and today, setting an example of orderly procedure. I think when the day does come that we do not grant to our fellow Members the assumption of proper motive, then the democratic system as we know it is in some danger. I would hope that whatever happens between now and 2 a.m. or noon tomorrow, or whenever we conclude the conduct of this difficult debate, we will keep our discussion on the same high level that the gentlewoman from New York and all Members should always display in this body.

Now Mr. Chairman, I would like to address myself to the amendment of the gentleman from Michigan (Mr. DINGELL), which I support completely.

Busing schoolchildren simply to achieve racial balance is absurd at any time, and it is especially ludicrous to require such busing at a time when the gasoline which is being wasted in pursuit of numerical racial balance is desperately needed elsewhere.

In Wicomico County, on Maryland's Eastern Shore, we have had much the same experience as hundreds of other counties and municipalities around the country. Under threat of removal of all Federal funds to the county school, the Department of Health, Education, and Welfare has come in and ordered that elementary schoolchildren in that area be bused to achieve racial balance, in a number of cases involving trips of many miles for 5- and 6-year-old children. Parents without regard to race have opposed this disruptive scheme. I want to do whatever I can to prevent incidents of this sort from taking place, and this amendment will have that effect.

This body has voted many times to approve measures which would curtail or halt forced busing. I trust that we will do so again today, and I hope that this time we will succeed in actually bringing an end to the practice. Taking such a step is fully justifiable in the all-out effort to conserve the Nation's energy supplies, as well as making good common sense where the welfare of our Nation's children is concerned.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I should like to ask the gentleman from Michigan a question. I represent a district which is under court order with respect to segregated schools. The school system has submitted a plan to the court that involves the movement of pupils within the district in excess of what is provided for in the gentleman's amendment. Is it the gentleman's intention that notwithstanding the existence of a court order, a school district will not be permitted to use petroleum under an allocation plan to move students in accordance with a court order?

Mr. DINGELL. If the gentleman will yield I will answer the gentleman's question.

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

Mr. DINGELL. I thank the gentleman for yielding. Yes; the amendment says nothing about court orders. The amendment says in effect that no fuel may be allocated for purposes of transporting a child past the school nearest to his home.

Mr. FRASER. Supposing the school district is under court order, under the gentleman's amendment will they get the petroleum?

Mr. DINGELL. The answer to the gentleman's question is, they cannot allocate fuel for that purpose. This amendment does not consider whether or not the school district is under court order to transport students to achieve racial balance.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN of North Carolina. Mr. Chairman, I support the amendment offered by the gentleman from Michigan. The busing decisions of the Supreme Court are well known to me, since I was serving as chairman of the Mecklenburg, N.C., Board of County Commissioners at the time of the innovative consideration by the Court of the pupil assignments of the Charlotte-Mecklenburg school system. We have lived with it longer than anyone else.

We are going to be short of fuel supplies for schools. If we permit gasoline allocation to transport students back and forth great distances across the county there may not be enough to meet the more necessary task of transporting our rural students to even the nearest school or to meet other necessary purposes.

The purpose of this bill is to conserve nonessential uses of scarce fuel supplies. The purpose of this amendment is to do the same. It will be difficult for my people to understand if we do not adopt it.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. YOUNG).

(By unanimous consent, Mr. YOUNG of South Carolina yielded his time to Mr. COLLINS of Texas.)

Mr. COLLINS of Texas. Mr. Chairman, I continue the reading from today's Washington Post:

> Children from middle-class and upper-class backgrounds read better than children from lower-class backgrounds, and this fact was not changed by racial integration or increased spending.
>
> The Coleman findings have since been reaffirmed in a re-analysis by two Harvard Graduate School professors, Frederick Mosteler and Daniel P. Monihan. . . .

Mr. Chairman, this points out very clearly that this is not an educational amendment in any form. This is a transportation amendment that has to do with saving gasoline.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I ask the gentleman from Michigan (Mr. DINGELL) if his amendment is not racistly motivated, then what is the motivation for it? And if it is not demagogically inspired, why does it not apply to private schools as well as public schools?

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

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

Mr. DINGELL. Mr. Chairman, I thank the gentleman for yielding.

The amendment is not demagogically inspired at all. In my district we hold integrated rallies to protest busing. My constituents, black and white, oppose forced busing to achieve racial balance. The amendment really is to make sure we have available adequate petroleum supplies necessary for transportation of our students and to make sure that scarce gasoline supplies are not wasted.

Mr. CONYERS. Why does it not apply to the schools the gentleman's children go to? Why are not private schools included in this ban on the use of gas?

Mr. DINGELL. Because private schools are schools which are selected by the parents and the children. And my children, I advise the gentleman, go to integrated schools and public schools.

Mr. CONYERS. And so they should use as much gas as they need to get to school?

Mr. BAKER. Mr. Chairman, the subject of court ordered busing of our children is one which concerns parents all over this Nation. It is of particular concern to those who live in the Chattanooga area and to me. We have perhaps the finest board of education in the country, composed of both minority and majority members. They have worked diligently over a period of years to satisfy the courts without doing damage to the cause of providing the best possible education for our children.

We have just been handed a decision by the courts which means busing of additional children and the use of 5,000 additional gallons of gasoline each month. Meanwhile, evidence is piling up that not only is court ordered busing looked upon with disfavor by parents of both races, who prefer to have their children within walking distance while attending school, but that this great inconvenience of long distance busing has not produced the desired results. I quote from a recent column by Kevin Phillips:

> In fact, most cities reported that the achievement gap—between black and white—had gotten even larger after busing.

Now we are faced with a crisis in the area of motor fuel as well as other energy sources. It seems reasonable to me that we abandon this nonproductive abuse of our children and allow them to return to the healthful practice of walking to school, if they wish. We could do so by taking action on the amendment being proposed by my colleague, Congressman DINGELL. This action becomes more urgent daily in the light of the worsening fuel crisis. I hope we will meet our responsibility as a representative of the people we represent and stop the forced busing of our children.

The CHAIRMAN. The Chairman recognizes the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I am for integration and I am for using buses to accomplish it, but that is not what I want to discuss with the Members.

We are in an emergency and if we are going to deal with that emergency we are going to have to have the cooperation of all the people in this country—conservatives and liberals, Republicans and Democrats, blacks and whites.

If this amendment is carried, I know I am going to vote against this bill and I know there will be millions of people who will not carry out the provisions of this bill because they will feel we have used the bill, through this amendment, to discriminate.

This is a bad amendment. It will hurt this country immeasurably if we pass it.

The CHAIRMAN. The Chair recognizes the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I rise in support of Mr. DINGELL's amendment which would permit fuel allocation for the transportation of public school students only to a school nearest their home. Every program adopted by this body today should be directed toward specific measures for fuel conservation, and I believe Mr. DINGELL's amendment would reflect the goal of minimizing the distance students are transported.

Is it more important to bus children ridiculous distances to schools which have to close early because they have run out of sufficient heat or light? Or can we keep our schools open and let the children walk, or be transported the shortest possible distance? There appears to be a thread of insanity running through the logic which keeps these unnecessary and undesirable busing plans in operation, but closes the doors of the school itself.

Our school system is a vital public service. Our neighborhood school was effective and promoted effective, quality education. We have been given the opportunity today to stop unnecessary fuel consumption by ending this massive busing of children miles from their homes. The money saved by the reduction in the use of the buses could go toward reinforcing the quality of education for all our schools. We have failed in the past to make all schools good schools but replacing that mistake with another mistake is not right.

In Prince Georges County in my district, we are wasting 750,000 gallons of gasoline a year. We are forced to countenance an additional 3½ million miles which our schoolbuses must travel. This amendment proposes sane energy measures which would contribute to a 25-percent saving on gasoline consumption in the schoolbus program. In this emergency, adjustments must be made to accommodate those services which are most essential, and which require the least fuel consumption. We simply do not have the fuel to transport pupils unnecessarily.

The House has considered many worthwhile suggestions in order to implement conservation of energy. It is my belief that this amendment would demonstrate an effective method of conservation and would be soundly supported by parents who face the unpleasant prospect of curtailed or discontinued classes for their children because their school has neither sufficient heat nor electricity to permit regular school hours. How can we ask the American people to respond to the energy crisis in a responsible manner if we are unwilling to take every means at our disposal to reinforce these conservation measures?

Mr. Chairman, I urge my colleagues to join me in supporting this important step toward conservation of fuel that is provided for in the Dingell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. ROY).

Mr. ROY. Mr. Chairman, I would like to address a question to my distinguished colleague from Michigan. In our State we have a number of county high schools. We also have separate school districts in smaller towns within these counties that have their own high schools. As a result of this, a number of buses will go right by the high school in the smaller town in order to reach the county high school.

My question is, Will these buses be allocated fuel under the priority for education or would they be denied under the amendment of the gentleman?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield, the answer would be that under the last section where the schools are within the same school district, there can be no allocation of fuel past the school nearest the residence of the student. If the schools are in separate school districts, because of ancient practice or the State defining the boundaries, there would be allocation of fuel within the amendment to drive the student to the nearest school to his home.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. Mr. Chairman, I rise in support of the Dingell amendment. A year ago my county was forced to engage in massive busing to achieve racial balance in its schools. Since that time its fuel use for schoolbuses has increased 40 percent, and the school system now has a fleet of over 800 buses, larger than the fleet of any commercial bus system in the Metropolitan Washington area. If this amendment carries, we will save in Prince Georges County alone over 700,000 gallons of fuel per year. On that basis, the amendment should be supported.

Mr. Chairman, Prince Georges County schools on January 27, 1973, as the result of a court order became the object of the largest racially balanced busing in the history of our country. The area involved is eight times that of the District of Columbia, six times that of the city of Baltimore. From one end of Prince Georges County to the other is greater than the distance from Arlington, south of the District, to Towson, north of Baltimore. Racial balanced busing in an area so great requires a busing fleet of over 800 vehicles. This is probably one of the larger schoolbus fleets in the Nation.

As I said, when racial balanced busing was ordered the gasoline consumption of Prince Georges County school buses increased 40 percent. This included gasoline for the additional vehicles. It included far more miles for the various buses to travel. It included earlier and later hours of school. Schools now start as early as 7:30 a.m., finish as late as 4:30 p.m. Students must be at bus stops even earlier to take the longer trips.

Schoolbuses with the many stops and starts are greater gas guzzlers than the 8-mile-per-gallon limousines. I am told that 5 to 5½ miles on a gallon of gasoline is the normal performance of schoolbuses. I am told, also, that before racial-balanced busing, consumption was about 1.6 million gallons per year. The 40-percent increase brings that amount in excess of 2 million gallons a year of gasoline.

I am a great supporter of education. In view of the crisis we are now facing, it makes little sense to curtail the school year or the school hours when we consume tank loads of gasoline transporting the students longer distances than are necessary. Neighborhood schools are favored by all but a small number of parents. It is inconceivable for us to not, at this time, curtail all unnecessary schoolbusing.

The recent headlines in newspapers indicate 950,000 air flights have been canceled. Yet, we consider air transportation an essential industry. Why should not schoolbusing make its contribution to the saving of energy?

In Prince Georges County, the schoolbusing fleet is 7 or 8 times larger than the commercial busing fleet. Yet public commercial busing is essentially the moving of people from homes to jobs, usually across the District-Maryland line. Of the 154,000 schoolchildren in Prince Georges County schools, 90,000 are bused. I do not know how many drive their own cars, but residents in the vicinity of high schools complain of congested parking by students.

In a very comprehensive federally funded transportation study in my district, it was learned that the University of Maryland is the single largest generator of traffic. It is noted that nonrelated work travel is increasing faster than work travel. While carpooling for workers is a very worthwhile device for saving fuel, we certainly must not overlook the even greater possibilities of saving fuel in the nonwork areas. Saving fuel by eliminating all unnecessary schoolbusing and encouraging students at all levels to walk or ride bicycles where feasible, are indeed appropriate steps in a series of energy-saving proposals.

Not only is there great saving in fuel, but I am sure that most parents will be pleased. The neighborhood school concept promotes greater use of schools for extra-curricular affairs. It makes travel simpler and that way saves even more gasoline.

In short, restriction of schoolbusing is a necessary, convenient, and economical way of conserving gasoline.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in opposition to this amendment. I am appalled it should come up and I am appalled to see so many Members supporting it. If, in fact, the amendment carries, it seems to me that this bill should be voted down and a totally different bill written, because if the energy crisis is so serious that we are willing to suspend the Constitution of the United States to meet it, then we should be willing to institute a fuel rationing program, order the suspension of all recreational activities that eat up our dwindling fuel reserves, and otherwise move firmly and decisively to meet the energy crisis.

I think it is unfortunate that an energy crisis that could have brought all the people of the country together in common effort is being used to exacerbate the racial tensions that exist in this country.

I urge that this amendment be voted down, and should it be a part of the bill presented to us on final passage, I will vote against the bill, although I may fully support many of its legitimate provisions.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I rise in support of the busing amendment of the gentleman from Michigan (Mr. DINGELL). Please note this comes from a Member of Congress from Michigan not someone from the South. The author stated this will result in a conservation of gasoline. The only ones who make it a racial issue are those who prefer to consider the amendment racial.

The fact that the point of order raised by the gentleman from Washington was overruled should be the best argument that this amendment is germane to the conservation of fuel.

A moment ago some colleague made reference to the U.S. News & World Report. I have in my hand a copy of the December 17 issue. One statement in that article asks "Why are we worrying about heating oil if we cannot get the children to school?"

I would like to ask the gentleman from Michigan, recalling that the gentleman from Kansas (Mr. ROY) mentioned the big consolidated districts, two or three in a county. If I remember right, the amendment only limits busing within the school district and would not affect the sparsely populated areas where because of consolidation the school of attendance might not be nearest to the home of the pupil.

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

Mr. RANDALL. I yield to the gentleman.

Mr. DINGELL. To give the gentleman a short answer, the amendment would not deny allocation for travel to a consolidated school where the transportation of students is to the nearest school offering instruction of the grade level and curriculum of the student involved.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, the amendment violates constitutional rights. I think there is no doubt about that, but there is also a practical problem.

The amendment will increase fuel consumption and close schools, for if the nearest school violates the Constitution, it must be closed. Therefore, the children who had been at that school will be bused to a school which is farther away.

The amendment also diverts attention from the main causes of fuel shortages, including the automobile manufacturers in the State from which the mover of this motion comes. It defames a national energy policy based on justice, and should be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I had previously indicated why I do not think that this type of amendment should be in an energy bill. We should not do in the name of energy what we have not done through our other appropriate committees.

Mr. Chairman, I have a question for the gentleman from Michigan. We have one school district for the entire city of Seattle. There is busing of various kinds within that district. Is it the intent of the gentleman's amendment that they can continue to bus within the district as ordered by the school board if it is within the school board's jurisdiction, because the gentleman has on page 1 that it is, as long as it is within the school district, but on page 2 you say that they must be within neighborhood school attendance areas; yet, in paragraph 2 on page 2, you say that as long as it is within the school attendance district, it is all right.

Our school board has ordered varying types of busing within this total district of the city of Seattle as they have indicated or found necessary to carry out their educational policies. Will they or will they not get the fuel?

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

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

Mr. DINGELL. Under the amendment allocation of fuel for transportation of public school students is allowed when the transportation is within the school district and within the school attendance district of the public school student. Where it is necessary to relieve overcrowding or where it is necessary to take care of special educational problems such as the blind, the crippled, the retarded and that sort of thing, there is a special exception allowing allocation for further transportation.

Mr. ADAMS. Mr. Chairman, who will decide where the busing is going to come or go, the school district superintendent, the administrator under this act, or the school board, which is trying to set up a system of busing?

Mr. DINGELL. The President or his delegate will do so as required in the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I think it ought to be made perfectly clear there is nothing in this amendment that is going to prevent any child from getting a public education or prevent any child from getting transportation to receive that education. This amendment really does not deal with the question of racial mix which has been mentioned during this debate. It merely deals with allocation and rights to allocation of a short supply of fuel.

In the days ahead, the crises ahead, we are going to see some businesses close and we are going to see others partially shut down. What is attempted by this amendment is to reduce the impact of the short supply of fuel by removing nonessential transportation of public school pupils.

I would like to point out that the gentleman from Michigan (Mr. DINGELL), the author of this amendment, has very carefully drafted it so as to make it abundantly clear that any changes in school assignments which might be required by this amendment will come during the summer when schools are in recess so that those now enrolled will not have their classes interrupted during the present school term. The effective date of the amendment is August 1, 1974.

I wish to touch upon one other point. Much was made in the well a few minutes ago about the Supreme Court decisions requiring the busing of pupils. As I read the Supreme Court decisions, the Court did not say that busing of pupils was an end in and of itself, but merely a means to achieve the end it said was necessary. This amendment dealing only with the means does not therefore violate or go beyond the law.

The CHAIRMAN. The Chair recognizes

the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, the energy crisis facing this country is apparently one of the greatest ills we will experience in this country in our time. It will have serious implications in the health, employment, and general welfare of our constituents.

In many areas of our country we are experiencing another ill, forced busing for racial ratios. In my district this is contrary to the generally approved idea of neighborhood schools. If my correspondence and the polls I have taken are any indication of the feelings of my constituents, both my white constituents and my black constituents approve the neighborhood school concept over the forced busing concept by an overwhelming majority.

Mr. Chairman, under the amendment before us we, therefore, have a chance to accomplish both the objectives of saving much-needed gasoline—and the tax money to buy it—together with preserving the neighborhood school concept. I, therefore, strongly support the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I rise in opposition to the amendment which purports to deal with the allocation of fuel for the busing of public school students.

It seems clear that the purpose of this amendment is to prevent court-ordered busing from taking place. Whether or not we agree with busing, it is also clear that the decisions of the courts are the law of this land. These decisions are binding on Congress as well as everyone else. Either we have laws that apply to everybody including the Congress or we have no laws at all.

When the President of the United States contemplated disobedience of a court it brought down a storm of protest from all over the country because people will simply not tolerate official disobedience to the rule of law. Yet by supporting this amendment which seeks to subvert the orders of the court, Members would be doing the same thing. The amendment is probably also unconstitutional.

Furthermore, the amendment is so badly and irresponsibly drafted that it would create a chaotic mess of pupil assignments in New York City. It would require a Federal administrator making the decisions on the assignment of every public school student in the city, overruling the decisions of local school boards and the board of education. It would discriminate against students who attend public schools since it does not apply the same energy conservation standards for those who use schoolbuses for private schools.

I would urge my colleagues to vote down this amendment. If there is any time that we must show respect for the rule of law, it is now.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I have always opposed the busing of children for busing's sake. It has been my feeling that the solving of our problems of educational equality does not lie in busing children from one side of town to another in order to provide racial balance. It lies in the creation of quality education in all schools. Having said this, I hasten to add that since our courts have ruled otherwise our duty as legislators is to respect the law and not do by indirection what this body has failed to do directly.

What happens in a school district where the courts have ordered busing? Although this amendment on its face sounds laudable as a means of saving fuel it can only result in doing irreparable mischief and furthering the divisiveness which we now experience. I urge the defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. HANRAHAN).

Mr. HANRAHAN. Mr. Chairman, I would like to point out here that I rise in support of this amendment because my Third Congressional District is the first school district north of the Mason-Dixon Line, School District No. 151 in South Holland, Ill., that had to undergo the effects of school integration and, as a result, lost over 2,000 schoolchildren in 3 years.

This study that the gentleman from Texas (Mr. COLLINS) referred to today—in the Washington Post—I think is significant of the fact that mixing students throughout this country does not produce learning. The important thing to keep in mind is that quality instruction does produce learning and anything else is extraneous.

I wish the RECORD to indicate that I am strongly in favor of the amendment to the National Emergency Energy Act, troduced by my distinguished colleague, Congressman JOHN D. DINGELL of Michigan. The Dingell amendment would prohibit the allocation of fuel for the purpose of transporting schoolchildren beyond the boundaries of their own school districts.

During my tenure as a public official, I have consistently favored quality education for all children. No American child should be denied the opportunity to develop his talents to the maximum extent possible within the educational structure of our society. In my view, the most effective system of providing a basic education to our youth lies in the neighborhood school system.

I feel that the use of forced busing as a means of insuring racial balance is often counterproductive in terms of travel delays and ensuing educational quality. Furthermore, a recent report by Prof. James Coleman of Chicago University indicates that the home is more important than school in affecting children's ability to read. Children from middle class and upper class backgrounds read better than children from lower class backgrounds, and this fact was not changed by racial integration or increased spending.

Furthermore, busing of children to achieve a racial balance results in a serious waste of valuable fuel at a time when our Nation can least afford it. During the serious energy crunch that America is currently experiencing, we must do all we can to conserve our precious fuels. If we do not conserve enough fuel, jobs will be lost and our Nation may be plunged into the nightmare of a recession. Such a horror can only be prevented if every American does his and her part to conserve energy usage. How can we, as public officials, urge our fellow citizens to conserve fuel, while we allow thousands and thousands of gallons of fuel to be unnecessarily used to bus children each day miles and miles from their neighborhoods for no substantial reason?

I cannot accept forced busing of schoolchildren out of their neighborhoods for racial balance for both valid educational and energy conservation reasons. It is thus with a sense of national purpose that I voted to support Congressman DINGELL'S most appropriate amendment to the National Emergency Energy Act.

Mr. PREYER. Mr. Chairman, many people will support this amendment because of the impact that busing has had upon U.S. education. I agree that busing has had a very harmful effect on education. But this amendment is not addressed to that larger problem. The place to resolve that question, is through bills coming out of the Education and Labor Committee or the Judiciary Committee—not a bill from the Commerce Committee.

It is a proper matter for a bill from the Commerce Committee to address itself to the impact of busing on the energy situation. It is on that basis that this amendment must stand or fall, and I think it stands. The fact that it indirectly effects court-ordered busing for educational purposes—as long as that effect is temporary, reasonable, and results from an emergency situation—does not render it unconstitutional. I think there is a real distinction between education and transportation, and this amendment imposes a reasonable restriction on the transportation of students to conserve gasoline.

We are in a situation where there is not enough gas to go around.

If we do not have enough gas and oil, I doubt that the courts will overrule an order from the President allocating that gas and oil as long as that allocation has a reasonable basis. This is an allocation order from the President and Congress, not from a school board. It does not overrule any court order. Rather, it is saying that busing as a tool to bring about integrated schools is a tool that should only be used in a restricted fashion during a fuel crisis. Instead, we should consider other methods than nonessential busing to integrate schools under the present emergency circumstances.

The amendment does not flatly prohibit any form of busing. It says that priority in allocation of fuel is given to

schoolbuses that transport children to the nearest school to their home. If local school authorities wish to bus beyond that, if they feel that social benefits so achieved are of sufficient importance, then such busing is not prohibited, but it is not given any priority allocation of gasoline. Such busing can be continued if gasoline is available. This is a reasonable way to allocate scarce fuel, by limiting it to essential busing.

This differs from the Senate amendment on this subject in that it does not deny the busing of students for educational purposes, but is based on the essentiality of the busing for education. It says that the President may assign top priority among scarce fuel supplies for that transportation necessary to get to the school that is essential for the students' education. If the school board wishes to bus further for other reasons it considers desirable, it can do so but it gets no priority. As in business, as in our personal lives, we must abandon those things that are desirable in favor of those that are essential for the next two winters. There will be an enormous and justified uproar if we allow in one area but not in another that which is desirable over that which is essential.

The reasonableness of this plan is related to the amount of gas that can be saved. It is estimated that the use of gasoline for busing schoolchildren has tripled in the last 4 years.

For example, in my hometown of Greensboro, the city had 107 buses which used 131,817 gallons of gasoline in 1970–71. In 1972–73, after court-ordered busing was imposed, the city had 212 buses which used 288,239 gallons of gasoline—more than doubling the use of gas in 1 year. There are comparable figures for other North Carolina cities. There is no question that considerable gas can be saved if nonessential busing is eliminated.

There will be practical difficulties in adjusting school schedules to meet the objectives of the amendment. The most disruptive effects are avoided, however, by making August 1 the effective date of the amendment, thus avoiding the interruption of the current school year. Furthermore, the amendment provides that such plans—to minimize the distance traveled by students to and from school—shall be formulated in consultation with the affected State and local educational agencies.

It is my hope that when State and local educational agencies address themselves to this question, they will find that the court-ordered goal of integrated schools can be accomplished with far less busing than is presently employed. The only systematic attempt to date to study the ratio between busing of students and desegregation of schools—the so-called Lambda study—indicates that massive busing just does not make sense because it is unnecessary to achieve integration. It points out that our school system has plenty of room for working out different kinds of arrangements, and that with a little flexibility the goal of an integrated school system can be achieved with a minimum amount of busing. In the long run, I think the development of such alternatives to busing will be the answer to our school problems. This has been the goal of the bills I have introduced. The energy crisis may help to prove their point.

Mr. BEVILL. Mr. Chairman, I rise in support of the amendment offered by my colleague from Michigan to H.R. 11450. Congressman DINGELL's amendment would prevent the allocation of gasoline to be used to bus public school children to a school farther than the public school closest to their home.

It would be a cruel paradox for us to take all the steps we have been considering to reduce the consumption of fuel, and at the same time allow this unnecessary busing to continue throughout the Nation.

If we are to be realistic, Mr. Chairman, we must admit that busing children miles from their homes and local schools is not in the best interest of the children or the country. It also is going to greatly increase the need for gasoline. In fact, it will take quite a supply just to get these children to the school nearest them.

As I have said before, an opportunity for a quality education is a right which must be made available to all on equal terms and without regard to race. But the time has come for us to be practical. It is not in the best interest of the Nation to use this extra fuel to continue busing in an effort to obtain racial quotas in our public schools.

Most studies that have come across my desk indicate that, to date, the effort has been a dismal failure.

The high cost of busing could better be spent on improving the curriculum, physical facilities, and teachers salaries.

Eliminating this unnecessary busing should be one of the first acts we take toward reaching a reasonable solution to the fuel crisis.

I urge all my colleagues to support this important amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS) to close debate.

Mr. STAGGERS. Mr. Chairman, I will say to the Members of the House that I rise in opposition to the amendment.

I do not believe the House would act reasonably if it attempts to take advantage of the energy crisis situation in order to overturn the efforts of school districts to achieve racial balance. Let us be clear that that would be the very effect of this amendment.

Let me point out to my colleagues that if they accept this amendment, it would almost certainly result in the death of this legislation. I know there are many Members who would vote against the entire bill if this amendment is put into it, and I would hope that my colleagues will not agree to it.

The amendment was brought up in our committee.

The gentleman from Washington asked that it be deferred, and by a record vote of 21 to 12, it was deferred in the committee and, therefore, voted down. That is what prevented me from ruling on its germaneness, and if that issue had come up, I would have ruled that it was not germane.

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

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

Mr. HAYS. Mr. Chairman, I was in doubt about the amendment, but if the gentleman will assure me that it will kill the bill, then I am going to have to vote for the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. Yes, I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I read an article recently about a young white teacher who taught in an all-black school. He made an effort to establish a meaningful rapport with the children. He used techniques that made them want to learn, and they did. Then it was learned by some people who were white what the teacher was doing. They objected to the rapport that was established, objected to what that white teacher was doing, and as a result the teacher was summarily transferred out.

Before he left, the kids had a party for him. At the party one of the young children said to the teacher, "Why do they hate us so?"

Mr. Chairman, that question may well be raised on this floor today, and I do so raise it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The question was taken.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 192, not voting 19, as follows:

[Roll No. 662]

AYES—221

Abdnor	Chappell	Froehlich
Alexander	Clancy	Fulton
Andrews, N.C.	Clausen,	Fuqua
Annunzio	Don H.	Gaydos
Archer	Clawson, Del	Gettys
Arends	Cleveland	Gibbons
Armstrong	Cochran	Ginn
Ashbrook	Collins, Tex.	Goldwater
Bafalis	Conlan	Goodling
Baker	Cotter	Green, Oreg.
Bauman	Crane	Griffiths
Beard	Daniel, Dan	Gross
Bennett	Daniel, Robert	Grover
Bevill	W., Jr.	Gunter
Biaggi	Davis, Ga.	Haley
Blackburn	Davis, S.C.	Hammer-
Bowen	de la Garza	schmidt
Bray	Denholm	Hanley
Breaux	Derwinski	Hanrahan
Brinkley	Devine	Harsha
Brooks	Dickinson	Hays
Broomfield	Dingell	Hébert
Brown, Mich.	Dorn	Henderson
Broyhill, N.C.	Downing	Hillis
Broyhill, Va.	Duncan	Hinshaw
Buchanan	Edwards, Ala.	Hogan
Burgener	Eilberg	Holt
Burke, Fla.	Esch	Hosmer
Burleson, Tex.	Eshleman	Huber
Burlison, Mo.	Evins, Tenn.	Hudnut
Butler	Fisher	Hungate
Byron	Flowers	Hutchinson
Camp	Flynt	Ichord
Carter	Ford,	Jarman
Casey, Tex.	William D.	Johnson, Pa.
Cederberg	Fountain	Jones, Ala.
Chamberlain	Frey	Jones, N.C.

Jones, Okla.	Nedzi	Spence
Jones, Tenn.	Nichols	Steelman
Kazen	O'Hara	Steiger, Ariz.
Keating	Parris	Stephens
Kemp	Passman	Stubblefield
Ketchum	Patman	Stuckey
King	Pickle	Sullivan
Kuykendall	Poage	Symms
Landgrebe	Powell, Ohio	Talcott
Landrum	Preyer	Taylor, N.C.
Latta	Price, Tex.	Teague, Calif.
Lent	Quillen	Teague, Tex.
Litton	Randall	Thornton
Long, La.	Rarick	Towell, Nev.
Long, Md.	Regula	Treen
Lott	Rinaldo	Ullman
Lujan	Roberts	Vander Jagt
McCollister	Robinson, Va.	Veysey
McKay	Rogers	Vigorito
McSpadden	Roncallo, N.Y.	Waggonner
Mahon	Rooney, Pa.	Wampler
Maraziti	Rose	White
Martin, Nebr.	Rousselot	Whitehurst
Martin, N.C.	Runnels	Whitten
Mathias, Calif.	Ruth	Wilson, Bob
Mathis, Ga.	Ryan	Wilson, Charles, Tex.
Michel	Sandman	Winn
Milford	Sarasin	Wright
Miller	Satterfield	Wyman
Minshall, Ohio	Scherle	Yatron
Mitchell, N.Y.	Schneebeli	Young, Alaska
Mizell	Shipley	Young, Fla.
Moakley	Shoup	Young, Ill.
Mollohan	Shriver	Young, S.C.
Montgomery	Shuster	Young, Tex.
Moorhead, Calif.	Sikes	Zablocki
Myers	Sisk	Zion
Natcher	Snyder	

NOES—192

Abzug	Frelinghuysen	Murphy, Ill.
Adams	Frenzel	Murphy, N.Y.
Addabbo	Giaimo	Nelsen
Anderson, Calif.	Gilman	Nix
Anderson, Ill.	Gonzalez	Obey
Andrews, N. Dak.	Grasso	O'Brien
Ashley	Gray	O'Neill
Aspin	Green, Pa.	Owens
Badillo	Gude	Patten
Barrett	Guyer	Pepper
Bell	Hamilton	Perkins
Bergland	Hanna	Pettis
Biester	Hansen, Idaho	Peyser
Bingham	Hansen, Wash.	Pike
Blatnik	Harrington	Price, Ill.
Boggs	Hastings	Pritchard
Boland	Hawkins	Quie
Brademas	Hechler, W. Va.	Railsback
Brasco	Heckler, Mass.	Rangel
Breckinridge	Heinz	Rees
Brotzman	Helstoski	Reid
Brown, Calif.	Hicks	Reuss
Brown, Ohio	Holifield	Rhodes
Burke, Mass.	Holtzman	Riegle
Burton	Horton	Robison, N.Y.
Carey, N.Y.	Howard	Rodino
Carney, Ohio	Johnson, Colo.	Roe
Chisholm	Jordan	Roncalio, Wyo.
Clay	Karth	Rosenthal
Cohen	Kastenmeier	Rostenkowski
Collins, Ill.	Kluczynski	Roush
Conable	Koch	Roy
Conte	Kyros	Roybal
Conyers	Leggett	Ruppe
Corman	Lehman	St Germain
Coughlin	McClory	Sarbanes
Cronin	McCloskey	Schroeder
Culver	McCormack	Sebelius
Daniels, Dominick V.	McDade	Seiberling
Danielson	McEwen	Skubitz
Delaney	McFall	Smith, Iowa
Dellenback	McKinney	Smith, N.Y.
Dellums	Macdonald	Staggers
Dennis	Madden	Stanton, J. William
Diggs	Madigan	Stanton, James V.
Donohue	Mailliard	Stark
Drinan	Mallary	Steed
Dulski	Mann	Steele
du Pont	Matsunaga	Steiger, Wis.
Eckhardt	Mayne	Stratton
Edwards, Calif.	Mazzoli	Studds
Evans, Colo.	Meeds	Symington
Fascell	Melcher	Thomson, Wis.
Findley	Metcalfe	Thone
Fish	Mezvinsky	Tiernan
Flood	Minish	Udall
Foley	Mink	Van Deerlin
Forsythe	Mitchell, Md.	Vanik
Fraser	Moorhead, Pa.	Waldie
	Morgan	Ware
	Mosher	Whalen
	Moss	Widnall
	Murphy, Ill.	Wiggins
	Murphy, N.Y.	Williams
	Nelsen	Wilson, Charles H., Calif.
	Nix	Wolff
	Obey	Wydler
	O'Brien	Wylie
	O'Neill	Yates
	Owens	Young, Ga.
	Patten	Zwach
	Pepper	
	Perkins	
	Pettis	
	Peyser	
	Pike	
	Price, Ill.	
	Pritchard	
	Quie	
	Railsback	
	Rangel	
	Rees	
	Reid	
	Reuss	
	Rhodes	
	Riegle	
	Robison, N.Y.	
	Rodino	
	Roe	
	Roncalio, Wyo.	
	Rosenthal	
	Rostenkowski	
	Roush	
	Roy	
	Roybal	
	Ruppe	
	St Germain	
	Sarbanes	
	Schroeder	
	Sebelius	
	Seiberling	
	Skubitz	
	Smith, Iowa	
	Smith, N.Y.	
	Staggers	
	Stanton, J. William	
	Stanton, James V.	
	Stark	
	Steed	
	Steele	
	Steiger, Wis.	
	Stratton	
	Studds	
	Symington	
	Thomson, Wis.	
	Thone	
	Tiernan	
	Udall	
	Van Deerlin	
	Vanik	
	Waldie	
	Ware	

NOT VOTING—19

Bolling	Gubser	Stokes
Burke, Calif.	Harvey	Taylor, Mo.
Clark	Hunt	Thompson, N.J.
Collier	Johnson, Calif.	Walsh
Davis, Wis.	Mills, Ark.	Wyatt
Dent	Podell	
Erlenborn	Rooney, N.Y.	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. BROYHILL of North Carolina to the amendment in the nature of a substitute offered by Mr. STAGGERS: On page 32, strike line 9 through line 4, page 37 and insert the following:

"SEC. 117. LIMITATIONS ON PETROLEUM PROFITS.—

"(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) is further amended by adding at the end thereof the following new subsection:

"(k) The President, to the extent practicable, shall exercise his authority under this Act and under the Economic Stabilization Act of 1970 as amended so as to permit no more than reasonable profits to sellers of crude oil, refined petroleum products, and residual fuel oil, taking into account those profits necessary for reinvestment for research and development, exploration, development, and production intended to increase the Nation's domestic energy supplies.

"(b) Not later than 60 days after the date of enactment of this Act the President shall submit to the Congress legislation necessary to further achieve the purposes of subsection (k) and designed to provide additional incentives for the investment of any such profits in support of expanded research and development, exploration, development, and production for the purpose of increasing the Nation's domestic energy supplies."

Mr. BROYHILL of North Carolina. Mr. Chairman, this is the amendment that the gentleman from Louisiana (Mr. WAGGONNER) had announced to the House some time back before the Dingell amendment was considered that he intended to offer to section 117, the so-called windfall profits section. Of course, obviously because of the parliamentary situation here, it would be difficult for a Member who is not a member of the Committee on Interstate and Foreign Commerce to get recognition, so I am offering this amendment on behalf of the gentleman from Louisiana (Mr. WAGGONNER). I know he will get time later, of course, to speak on this amendment.

Mr. Chairman, this section does not belong here, because frankly, it is not germane to the bill. This is one of the sections of the bill that I am confident would have been ruled out of order if there had not been debatable points of order in the rule which governs the debate on this bill.

The subject matter of this amendment is clearly under the jurisdiction of another committee in the House of Representatives.

I want to call attention of the Members to the actual words that are in this section. I hope Members have access to a bill. Section 117 is found on page 32 through page 37 of H.R. 11882.

I think Members will have to agree with me that a fair reading of this language would indicate that this provision called for here would be impossible to administer. I have nothing but questions to ask as to how a program like this would be administered under the language which is contained in H.R. 11882.

What kind of staff does the Renegotiation Board have to administer a nationwide program such as this? The Renegotiation Board was set up to monitor contracts of the Federal Government. What expertise do they have to rule on questions of what reasonable profits should be on petroleum products?

Here we are saying that another agency will get into the act. They will write regulations. They will make determinations on what prices the particular products can be sold for, what the profits will be. We already have other agencies that are making determinations and investigations in this area. We have the Internal Revenue Service. We have the Cost of Living Council making determinations on what prices should be.

Consider what kind of complications would occur if we set up another agency to have some authority in this area. One might say one thing and one would say another. There would be an impossible burden on all sellers of petroleum products to know exactly what the rules of the game would be.

I tell the Members that in my interpretation and the interpretation of others who have read this language, that any seller of petroleum products, be it the gasoline dealer in the neighborhood, the oil jobber or the distributor, all the way up to Exxon, all of them would bear this burden.

Under the terms of the language in the bill the Board would hold hearings if anyone petitioned the Board saying they thought the price that was being charged was too high and would lead to windfall profits.

Where are these hearings going to take place? Are we going to require all these people to come to Washington? Will it be held in the district of the Member or the hometown of the person that has been complained against?

I say that this language here is unworkable. My substitute would say that the President shall exercise his authority under the Economic Stabilization Act so as to permit no more than reasonable profits for sellers of petroleum products.

Second, my amendment says that not later than 60 days after the enactment of this act, that the President shall submit to the Congress legislation necessary not only to further achieve the purposes of prohibiting unreasonable profits, but in addition legislation designed to provide additional incentives for investment of profits to support expanded research

and development, exploration, development, and production.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(By unanimous consent Mr. BROYHILL of North Carolina was allowed to proceed for an additional 2 minutes.)

Mr. BROYHILL of North Carolina. Mr. Chairman, this is the way to answer this problem. I agree with those who have expressed concern about the so-called windfall profits, as they have been termed. The way to get at them is to do it through substantive legislation, standing on its own and considered by a committee of this House which has jurisdiction of this question.

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

Mr. Chairman, I think the House is now facing the crux of this whole legislation, and that is, do we give the President power to ration gasoline and at the same time allow the oil companies to raise their prices to any extent they want to.

The Members have all seen what has happened recently. In the past few months, gasoline has gone from 35 cents a gallon for regular at the local filling station in my district to 50 cents—49.9, which is to all extent and purposes 50 cents.

What about the profits of the oil companies? They say that they cannot explore, that they cannot hunt for more oil, that they do not have the capital. Well, they get a 22-percent depletion allowance, and they get that whether they drill one well or whether they drill zero, and most of them are drilling zero.

I am sorry that I do not have the sheet in front of me which will show what every oil company in the country is making in the way of profits, but I can recall two or three of them. The third quarter profits over the third quarter of last year; 1973 over 1972, shows that the Exxon Co., the biggest one of them all, has increased its profits by 81 percent. And Amerada Hess, which had the best record, also increased its profit by 295 percent. There was only one of them that did not increase profits. The one that increased its profit the least was Standard Oil of Ohio, which owns no crude at all and which is at the mercy of the crude producers, and its net was up 20 percent.

Now, the amendment really takes the lid off the oil companies and puts the gouge on the consumer. If any Member can go home and explain to his people, who will be paying a dollar a gallon for gasoline if this amendment passes, why he voted to do that to them, he can go right ahead. If they think that is good representation, that is great, but I do not believe my people would.

What about the taxes of these oil companies? Well, I do not have that figure here either—I sent for it, but I did not expect to get the floor this quickly—but I can tell the Members this, that the average of all the oil companies in the country put together on income tax came to 6.7 percent on their incomes, which is less percentage than a wage earner with a family of four earning $8,000 per year would pay.

Now, do not let everybody tell us that these big oil companies are suffering.

Last May, when I came home from a committee meeting in London, the NATO Committee meeting, they started talking about the shortage, and there was a shortage for 2 or 3 weeks. Then the Office of Price Administration allowed the price to go up, and the shortage disappeared. This was in the season when we had the most driving; people were driving all over creation, and we could get gas any time except for a couple of weekends when a few stations closed down.

I said then, and I say it is more true today than it was then, that when these big oil companies—and they are big international conglomerates, all of them—get the price of gasoline up to what it is in Europe, the shortage will disappear.

These big oil companies have been totally supplying Europe with oil from the Arab nations; they still are, by the way.

The price of gasoline in Europe ranged then from 70 cents a gallon in England to $1.15 a gallon in Greece. When they get the price up to that figure in the United States, the oil shortage will disappear magically overnight.

They have been chafing for years over the fact that they were not able to stick it to the public in this country like they have been able to stick it to them in other countries.

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

Mr. HAYS. I will yield to the gentleman from California.

Mr. BURTON. Mr. Chairman, I would like to commend the gentleman in the well, our distinguished colleague (Mr. HAYS). I would like to associate myself with the gentleman's remarks, and I would like to direct this question to the gentleman in the well:

Would the gentleman not say that this amendment might also be called the "Congressional Retirement Act of 1973" for most of those Members who vote for it?

Mr. HAYS. I think it could really be called that.

Of course, I am not going to use that against any of my colleagues on this side, but as chairman of the Democratic Campaign Committee, I would not be above using it against anybody on the other side.

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

Mr. Chairman, I rise so that I might get an understanding. I think what I am about to request is highly important.

We have been considering this bill since 10 o'clock yesterday. We were in session here 9 hours yesterday continuously on this bill, and we have been in session now today for 4 hours. It would be my feeling that from now until 8 o'clock would be sufficient time to dispose of this bill completely, as well as all amendments thereto.

Therefore, Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, conclude at 8 o'clock tonight.

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

Mr. HEINZ. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STAGGERS. Mr. Chairman, I will amend my request as follows:

Mr. Chairman, I ask unanimous consent that all debate on the bill, and all amendments thereto, conclude at 9 o'clock tonight.

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

Mr. HEINZ. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Chairman, I move that all debate on the amendment offered in the nature of a substitute, the text of H.R. 11882, and all amendments thereto, conclude at 10 o'clock tonight.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia.

RECORDED VOTE

Mr. BROYHILL of North Carolina. Mr. Chairman, I demand a recorded vote.

A record vote was ordered.

The vote was taken by electronic device, and there were—ayes 58, noes 351, not voting 23, as follows:

[Roll No. 663]

AYES—58

Adams	Hinshaw	Patman
Arends	Hudnut	Patten
Bell	Jones, Ala.	Pepper
Bevill	Jones, N.C.	Quillen
Brown, Calif.	Koch	Rhodes
Byron	Kuykendall	Rooney, Pa.
Cotter	Lehman	Ryan
Diggs	Long, Md.	Sebelius
Dingell	McFall	Shipley
Eckhardt	McSpadden	Slack
Fascell	Macdonald	Staggers
Fisher	Melcher	Steed
Foley	Metcalfe	Stratton
Grasso	Mollohan	Teague, Tex.
Gray	Morgan	Van Deerlin
Hanna	Murphy, N.Y.	Vigorito
Hansen, Wash.	Nedzi	Ware
Harrington	O'Brien	Whitehurst
Hays	O'Neill	
Hébert	Passman	

NOES—351

Abdnor	Brotzman	Daniel, Dan
Abzug	Brown, Mich.	Daniel, Robert W., Jr.
Addabbo	Brown, Ohio	Daniels, Dominick V.
Alexander	Broyhill, N.C.	Danielson
Anderson, Calif.	Broyhill, Va.	Davis, Ga.
Anderson, Ill.	Buchanan	Davis, S.C.
Andrews, N.C.	Burgener	Davis, Wis.
Andrews, N. Dak.	Burke, Fla.	de la Garza
Annunzio	Burke, Mass.	Delaney
Archer	Burleson, Tex.	Dellenback
Armstrong	Burlison, Mo.	Dellums
Ashbrook	Burton	Denholm
Ashley	Butler	Dennis
Aspin	Camp	Derwinski
Badillo	Carney, Ohio	Devine
Bafalis	Carter	Dickinson
Baker	Casey, Tex.	Donohue
Barrett	Cederberg	Dorn
Bauman	Chamberlain	Downing
Beard	Chappell	Drinan
Bennett	Chisholm	Dulski
Bergland	Clancy	Duncan
Biaggi	Clausen, Don H.	du Pont
Biester	Clawson, Del	Edwards, Ala.
Bingham	Clay	Edwards, Calif.
Blackburn	Cleveland	Eilberg
Blatnik	Cochran	Esch
Boggs	Cohen	Eshleman
Boland	Collins, Ill.	Evans, Colo.
Bowen	Collins, Tex.	Evins, Tenn.
Brademas	Conable	Findley
Brasco	Conlan	Fish
Bray	Conte	Flood
Breaux	Conyers	Flowers
Breckinridge	Corman	Flynt
Brinkley	Coughlin	Ford, William D.
Brooks	Crane	Forsythe
Broomfield	Cronin	
	Culver	

Fountain	McDade	Ruppe
Fraser	McEwen	Ruth
Frelinghuysen	McKay	St Germain
Frenzel	McKinney	Sandman
Frey	Madden	Sarasin
Froehlich	Madigan	Sarbanes
Fulton	Mailliard	Satterfield
Fuqua	Mallary	Scherle
Gaydos	Mann	Schneebeli
Gettys	Maraziti	Schroeder
Giaimo	Martin, Nebr.	Seiberling
Gibbons	Martin, N.C.	Shoup
Gilman	Mathias, Calif.	Shriver
Ginn	Mathis, Ga.	Shuster
Goldwater	Matsunaga	Sikes
Gonzalez	Mayne	Sisk
Goodling	Mazzoli	Skubitz
Green, Oreg.	Meeds	Smith, Iowa
Green, Pa.	Mezvinsky	Smith, N.Y.
Griffiths	Milford	Snyder
Gross	Miller	Spence
Grover	Minish	Stanton,
Gude	Mink	J. William
Gunter	Minshall, Ohio	Stanton,
Guyer	Mitchell, Md.	James V.
Haley	Mitchell, N.Y.	Stark
Hamilton	Mizell	Steele
Hammer-	Moakley	Steelman
schmidt	Montgomery	Steiger, Ariz.
Hanley	Moorhead,	Steiger, Wis.
Hanrahan	Calif.	Stephens
Hansen, Idaho	Moorhead, Pa.	Stubblefield
Harsha	Mosher	Stuckey
Harvey	Moss	Studds
Hastings	Murphy, Ill.	Sullivan
Hawkins	Myers	Symington
Hechler, W. Va.	Natcher	Symms
Heckler, Mass.	Nelsen	Talcott
Heinz	Nichols	Taylor, N.C.
Helstoski	Nix	Teague, Calif.
Henderson	Obey	Thone
Hicks	O'Hara	Thornton
Hillis	Owens	Tiernan
Hogan	Parris	Towell, Nev.
Holifield	Perkins	Treen
Holt	Pettis	Udall
Holtzman	Peyser	Ullman
Horton	Pickle	Vander Jagt
Hosmer	Pike	Vanik
Howard	Poage	Veysey
Huber	Powell, Ohio	Waggonner
Hungate	Preyer	Waldie
Hutchinson	Price, Ill.	Wampler
Ichord	Price, Tex.	Whalen
Jarman	Pritchard	White
Johnson, Colo.	Quie	Whitten
Johnson, Pa.	Railsback	Widnall
Jones, Okla.	Randall	Wiggins
Jones, Tenn.	Rangel	Williams
Jordan	Rarick	Wilson, Bob
Karth	Rees	Wilson,
Kastenmeier	Regula	Charles H.,
Kazen	Reid	Calif.
Keating	Reuss	Wilson,
Kemp	Riegle	Charles, Tex.
Ketchum	Rinaldo	Winn
King	Roberts	Wolff
Kluczynski	Robinson, Va.	Wright
Kyros	Robison, N.Y.	Wylie
Landgrebe	Rodino	Wyman
Landrum	Roe	Yates
Latta	Rogers	Yatron
Leggett	Roncalio, Wyo.	Young, Fla.
Lent	Roncallo, N.Y.	Young, Ga.
Litton	Rose	Young, Ill.
Long, La.	Rosenthal	Young, S.C.
Lott	Rostenkowski	Young, Tex.
Lujan	Roush	Zablocki
McClory	Rousselot	Zion
McCloskey	Roy	Zwach
McCollister	Roybal	
McCormack	Runnels	

NOT VOTING—23

Bolling	Hunt	Taylor, Mo.
Burke, Calif.	Johnson, Calif.	Thompson, N.J.
Carey, N.Y.	Mahon	Thomson, Wis.
Clark	Michel	Walsh
Collier	Mills, Ark.	Wyatt
Dent	Podell	Wydler
Erlenborn	Rooney, N.Y.	Young, Alaska
Gubser	Stokes	

So the motion was rejected.

The result of the vote was announced as above recorded.

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

Mr. Chairman, I ask unanimous consent to speak out of order.

Mr. HAYS. Mr. Chairman, reserving the right to object, and I will not object, I do so to announce to the House that very shortly I intend to offer a preferential motion to strike the enacting clause out of this can of worms.

Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

CONFIRMATION OF HON. JAMES HARVEY FOR FEDERAL JUDGESHIP IN MICHIGAN

Mr. CEDERBERG. Mr. Chairman, I am pleased to announce that the Senate has confirmed for a Federal judgeship in the eastern part of Michigan one of our colleagues, the gentleman from Michigan, Congressman JAMES HARVEY.

Those of us who have served with Mr. HARVEY over the many years he has been a Member of this body know that he has been an outstanding legislator and that he will be thoroughly missed when he leaves us. Our loss will certainly be a gain for the judiciary.

We wish him well as he serves us on the Federal bench.

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

Mr. Chairman, first I want to congratulate my colleague on the Committee on Interstate and Foreign Commerce, the gentleman from Michigan (Mr. HARVEY), on his confirmation. He goes to his new duties with my very best wishes that he have as successful and distinguished a career there as he has had here and that his colleagues will enjoy working with him as much as I have over the years of his service on the Committee on Interstate and Foreign Commerce.

Mr. Chairman, I oppose the amendment offered by the gentleman from North Carolina on behalf of the distinguished gentleman from Louisiana (Mr. WAGGONNER).

I think the gentleman from Ohio (Mr. HAYS), as he usually does, very succinctly stated the situation. The public is not going to be fooled by actions of this type. I suppose that there are somewhere along the line some finite limitations to the appetite of these multinational conglomerates for profit. I do not know what the limitations might be. They are earning very substantial profits and they stand to continue to earn ever-increasing profits. They have succeeded in recent months in bringing about the demise of more independent businesses than any comparable period in an industry since the dark days of the depression of the late twenties and early thirties.

They have rendered antitrust laws virtually ineffective, because they have succeeded in eliminating any competition that was at all troublesome. These giant monopolies control petroleum products from the well to the pump, 50-cents-a-gallon gas, 70-cents-a-gallon gas, a dollar-a-gallon gas. As long as they can continue to squeeze and find a market, rest assured the pressure will be there; but I do not think that the people of this Nation are going to be satisfied.

Out in my State, our Governor, Ronald Reagan—I think the gentlemen know him not to be an example of great liberality—recommended and urged the legislature to enact legislation for catching up of the salaries of public employees of the State through an 11 percent increase, a catch-up increase, and the Cost of Living Council cut it to 7 percent.

Those people are not going to understand a Congress that has such a compassionate regard for these giants of energy that we say they have got to have windfall excessive profits to give them incentive.

We do not even require them to take their depletion allowances and commit them to exploring to find new supplies. We give them highly privileged tax status, not only for investments at home, but for investments abroad. To me, there is something approaching the obscene for so much concern to be shown for them and so little regard for the pocketbook and the welfare of the public; but each of us has to live with ourselves at the end of each day.

I am going to vote against this amendment to strike this minimal safeguard that was written into this legislation against windfall profits.

I think in doing so I will be reacting to the needs and the desires of the people I represent. I hope that all of the rest of the Members when they cast their vote can say the same.

Mr. YOUNG of Illinois. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Broyhill amendment. First of all, I hope we all take the time to read this windfall section and know what the terms and provisions of the windfall section are.

I am not here to speak on behalf of the oil companies. I am not here to protect anybody's excess profits, but I am here to try to get a good energy bill.

Now, this is an emergency energy bill. There is nothing of emergency about the windfall tax provisions of this bill.

There are several things wrong with the windfall profits section of this bill. There is a wrong definition of the windfall profits. It is in the wrong law, it has the wrong administrator, and the so-called windfall profits are going to be given back to the wrong persons. The wrong persons are the purchasers of the supplier or seller, who made the windfall profits, and the windfall profits tax should be going back to the taxpayers.

I will suggest to the Members what we ought to do and what we should do. We should let the Committee on Ways and Means develop the proper excess profits tax in due course. When they do, it can be made retroactive to January 1, 1974. There is no emergency about that. We will then get the right administrator. We will get the right type of excise profits tax. It will go to the right people, where it should go. The excess profits tax will go to the taxpayers of the whole United States and not some particular customer of some particular seller under the terms of this bill.

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

Mr. YOUNG of Illinois. Mr. Chairman, I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding to me. The Broyhill amendment, I think, is absolutely a must as far as this bill is concerned. I certainly support it. One reason I do so is not because of the fact that there has not been profiteering or that there might not be profiteering, but because this is not the way to handle it.

I have assurances from the administration that when the state of the Union message occurs, or perhaps shortly thereafter, there will be legislative proposals to take care of the situation involving excess profits. It would certainly be my hope that the House would wait until this is done so that it can be done in an orderly way, by the proper congressional committee.

Mr. YOUNG of Illinois. Mr. Chairman, I would like to give one example, and that example is this: Under the windfall profit sections, if the Members will read them carefully, they will find that there could be two or three sellers, all selling at the same price, but somebody could challenge one particular seller who, because of his particular background of profit experience, might be determined by the renegotiation board to be making so-called windfall profits. If that determination is made, then the moneys that would be taken from that particular seller are supposed to be given back to his customers, even though his customers paid the same price as the customers who bought from another competing seller down the street.

That is wrong. If there are excess profits, they should go to the U.S. Government for the benefit of all the taxpayers.

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

Mr. YOUNG of Illinois. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, will the gentleman tell me why the persons who have been overcharged should not receive the money back rather than the ordinary taxpayer?

Mr. YOUNG of Illinois. Mr. Chairman, I have just explained it to the Members. If the gentleman from Texas will understand that the different purchasers buying from three different sellers, all at the same price, but because one particular seller had excess profits and the other two did not, under the terms of this section the purchasers from the one seller would be determined to get money back, whereas the others would not, even though all bought at the same price.

Why should they receive a profit? If there are going to be any excess profits determined, such excess profits ought to go to the Federal Government and all the taxpayers.

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

Mr. YOUNG of Illinois. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Chairman, in his statement earlier, the gentleman stated something about this having the wrong administrator in it.

It has not yet been decided, but did the gentleman have anyone particular in mind who is expected to administer this, whom he objects to?

Mr. YOUNG of Illinois. Mr. Chairman, I think the Internal Revenue Service would administer it if it is drawn as excess profits tax. That drafting would be taken care of by the Committee on Ways and Means.

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

Mr. Chairman, I think that this goes to one of the very central arteries, if not to the heart, of the bill. The reason it does is because it points up very clearly in my mind what has been wrong and what continues to be wrong with all the 8, 9, or 10 major oil companies who impose their will on the U.S. Government.

I think that those who—and I know there will be some—who say that we have not treated the oil companies fairly that, indeed, they need more depreciation allowance in order to go forward and to try to find oil and gas here in the continental limits where they know proven reserves are, overlook the fact that until this Congress takes a look at the entire energy crisis as a whole and does not try to do in patches what should be done in one overall legislative oversight, the Government itself will still be hamstrung by the oil majors.

Mr. Chairman, they do this in ways that would make one's blood run cold. It makes my blood run cold, in any event.

They do it in ways in which they can buy either into a sheikdom or buy a sheikdom itself. They have a tax depletion allowance which was designed to develop new ways to find oil and gas within the United States, but which has been turned into a farce, by which these oil companies take a foreign oil depletion allowance of the same amount of money, as if the oil and gas was contained here within the continental United States.

They also have deals made with either sheikdoms and/or leaders of so-called Arab oil companies whereby they make a deal to pay taxes to that country, and in so doing, when they pay taxes to that country, under the present tax setup they do not have to pay one penny of that money to the United States.

So instead of paying money to the United States for what they owe to the United States because of the fact that they have prospered under our rules in the United States, they pay money to a foreign company and not 1 cent comes back here.

It seems to me more than adequately clear that it is and will be, unless we do something about it, a farce to give these people the tax benefits for foreign tax credits which were intended to encourage jobs here in the United States to take refuge behind the loopholes that are replete throughout our oil depletion and tax laws and use them to their own purpose.

Mr. Chairman, I urge the Members, rather than to try to take away the very minimum standards by which we try to prevent windfall profits, that we should go farther than what we are presently doing and really crack down on these people, not help them earn more unearned money.

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

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

Mr. ADAMS. Mr. Chairman, I wish to commend the gentleman for his statement.

The gentleman's subcommittee has spent literally months and years on this subject, and the gentleman is precisely correct.

I am against the Broyhill amendment, and I hope the amendment will be defeated.

PREFERENTIAL MOTION OFFERED BY MR. HAYS

Mr. HAYS. Mr. Chairman, I offer a preferental motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HAYS. Mr. Chairman, I think the Members can see now, after many hours of debate, that this can of worms is getting wormier by the minute.

The President has at his disposal now over 400 pieces of legislation which give him emergency powers. If the President needs to do any single thing—and I will take as an example gasoline rationing—he can propose a plan and ask for the authority to do it, and if he can present a case, I am sure the Congress will act responsibly.

However, this is an omnibus thing, and none of us really knows what it will do in the end or in the ultimate.

There are a lot of important bills awaiting action, and I think the thing to do is to simply turn this one down, strike out the enacting clause, and let the President tell us specifically what he wants.

Mr. Chairman, I would like to correct a couple of statements I made from memory when I spoke previously.

I said that Amerada Hess made a 250-percent increase in profit. It was actually 295 percent.

I said that the total average in income tax was 2.8 percent. It was actually 6.7 percent.

Mr. Chairman, I would just like to read a couple of other figures to give the Members some impact on this.

Texaco in 1971 had a net income, after all deductions but before taxes—not a gross, but a net—of $1,319,468,000, and they paid 2.3 percent of that in taxes.

Gulf had an income of $1,324,914,000, and they paid 2.3 percent.

Standard of New Jersey, which we had better refer to as Exxon, paid more tax. They paid all the way up to 7.7 percent on an income of $2,736,717,000.

Mr. ROUSH. Will the gentleman yield?

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

Mr. ROUSH. I thank the gentleman for yielding.

I think that the figures the gentleman has given us are shocking. Where do these profits come from? I have the latest statistics taken from the monthly pub-

lication entitled "Wholesale Prices and Price Indexes." These are from the Bureau of Labor Statistics. They relate to wholesale price increases in 1973 through November. I changed these to percentages. Crude oil, an increase of 21.4 percent; refined products, 88.3 percent; gasoline 77.9 percent; light distillates, 144.3 percent; middle distillates, 124.9 percent; and residual fuel, 81.3 percent.

Mr. HAYS. In other words, the crude went up 21 percent, and the cost of the refining of it did not increase or, if it did, it was 3 or 4 percent at the most, but the price of gasoline was how much?

Mr. ROUSH. 77.9 percent.

Mr. HAYS. There is your answer. That is profiteering. And it is worse since it is aimed at the people who can least afford to pay.

Mr. ROUSH. Will the gentleman yield further?

Mr. HAYS. I yield.

Mr. ROUSH. Most of these increases came in the last 2½ months.

Mr. HAYS. That is right.

Mr. GOLDWATER. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. GOLDWATER. I rise in support of this preferential motion.

I am not sure just what those figures are and what they mean as far as supporting the preferential motion, but serving on the committee I voted against this bill only from the standpoint that I did not know what I was voting about, primarily because of the haste with which this legislation was rushed through and the haste that permeated the committee hearings on it.

Mr. HAYS. If I may interrupt the gentleman for a second—and I will yield to him further—my figures came from the U.S. Department of Commerce, so I have to assume they are authentic. Maybe I am foolish to make that assumption.

I yield further to the gentleman.

Mr. GOLDWATER. We are acting on a very important historic piece of legislation to which not enough or not adequate time has been given. Therefore, I do support the preferential motion offered by the gentleman from Ohio.

Mr. RUPPE. Will the gentleman yield?

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

Mr. RUPPE. I thank the gentleman for yielding.

I certainly do not want to get between my two distinguished colleagues in supporting the same motion, but in a more serious vein, I wonder whether anyone on the committee would have an indication not just of the profits of the oil companies either this year or in the last 5 years, but the rate of return on investments of those same companies this year or in the prior 5 years, because, in a more serious vein again, I just do not want to belabor this point.

Mr. DINGELL. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, as I say, I rise in opposition to the preferential motion offered by the gentleman from Ohio (Mr. HAYS).

Having listened first to the motion and then to the remarks of the gentleman from Ohio, I came away a bit confused as to the gentleman's goals. It struck me that the gentleman was making not only a great speech in favor of H.R. 11882, but the gentleman was at the same time denouncing the legislation.

Windfall profits in the energy industry are only one evil that the legislation before us strikes today. The legislation before us really is very simple. We are dealing with allocations. We provide some additional priorities in energy allocation. The legislation attacks the problem of windfall profits, and we do so simply and well.

Mr. HAYS. Will the gentleman yield?

Mr. DINGELL. Let me proceed for just a moment, and then I will gladly yield to the gentleman from Ohio.

Mr. Chairman, in the bill before us we deal with the problem of allocation of coal, something which has not previously been done. We deal again with the allocation of gasoline and petroleum products in a fashion and in a manner which we have not previously done in the Emergency Petroleum Allocation Act of 1973.

We make certain changes with regard to regulating carriers, reducing the amount of energy demand which they will have. We deal with the air pollution laws, in a very gentle fashion, we extend forward for 2 years the 1976 automobile emissions standards, so as to make the best unit of pollution abatement and automobile gasoline mileage, we make our air pollution laws to permit more intelligent husbanding of our energy resources without undue violence to the environment.

We deal with the fair marketing of petroleum products, something which I think is very important, particularly at this time of domestic shortages and crises.

We deal with the point that the gentleman from Ohio (Mr. HAYS) covered very well—a prohibition on windfall products and, Mr. Chairman, at an appropriate time I would like to address myself to that issue.

Now I yield to the gentleman from Ohio.

Mr. HAYS. Of course, all of those things are in the bill, but we have been 2 days now on amendments to the bill, all totally having been offered by the members of the committee, and I understand that there are some 50-odd more amendments—somebody says 60-some. Nobody knows what will be in this bill when it finishes, and the committee really will not know, and I think some of them do not know what is in it now.

Mr. DINGELL. If the gentleman will permit me to interject, I think the gentleman makes a very good point. When we find out what is in the bill, then it will be time enough to vote on whether or not we want to accept or reject the bill. As it stands, the bill is a good bill. As it stands, we face a major crisis in heating oil fuel with the very good prospects of cold homes and electricity shortages, shortages of coal, and shortages of petroleum products.

Just this morning there was an announcement that we face a 5-percent cut in gasoline products, which may be a heavier burden still when they strike the average motorist. We face possible electrical curtailments. We face possible shortages in coal. We face shortages of all manner and kind due to the shortage crisis in the energy field.

No one in this body, I believe, at this time wants to go home and face their constituents and to admit that he did not do everything possible to meet the energy shortages which are confronting this country. I hope that no one will vote frivolously or lightly on this motion. Certainly we have a lot of amendments; but that must be expected in a highly controversial bill dealing with a highly critical, highly dangerous, and highly controversial situation such as that in which we find ourselves. But we must vote wisely and prudently. The peril to our constituents is too great. I hope that the motion to strike the enacting clause will not carry.

Mr. HAYS. Will the gentleman yield?

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

Mr. HAYS. The gentleman from Michigan states all of the shortages, but I am not convinced that this bill will do anything to cure them.

As somebody said earlier, this bill is a domestic Gulf of Tonkin resolution that will let the President and Mr. Simon do anything they want.

Mr. DINGELL. The gentleman from Ohio has raised a point as to whether we have a Gulf of Tonkin resolution in the legislation before us. We do not, that point was handled by the amendment offered by my friend, the gentleman from Texas (Mr. ECKHARDT). It was handled by that amendment in the Commerce Committee. And it was handled in this committee when we rejected the amendment which would have restored the original language of the bill, allowing the President the vast power to set up vast and sweeping energy conservation plans which would enable the President to close businesses, fix shop hours, prescribe who, when and where a person may operate a vehicle, and to do all manner of other things. I hope that that issue is behind us.

I hope my good friend, the gentleman from Ohio, will stand with the committee. I think that we should reject the motion to strike the enacting clause. The motion is a bad motion, it is untimely, and it should be voted down.

The CHAIRMAN. All time has expired.

The question is on the preferential motion offered by the gentleman from Ohio (Mr. HAYS).

The preferential motion was rejected.

Mr. JARMAN. Mr. Chairman, I rise in support of the Broyhill amendment.

Mr. Chairman, on the amendment before us, the Broyhill amendment, much has been said about the big oil companies and excessive profits, big oil companies and windfall profits. I think it is important for the House to remember as we vote on this amendment that section 117 of the bill applies to all levels of the oil industry, to the producer, to the retail marketer. It applies to the small businessman as well as the big businessman. I think that is

important in the Members' consideration of the bill and the need for this amendment. The opportunity to make a reasonable profit has been and is fundamental to the free enterprise system of this country. Reasonable profits are the essence of the Broyhill amendment.

If the Members will bear with me, let me read just a few lines from the first part of the amendment. All it says is:

The President, to the extent practicable, shall exercise his authority under this Act . . . so as to permit no more than reasonable profits to sellers of crude oil, refined petroleum products, residual fuel oil, taking into account those profits necessary for reinvestment for research and development, exploration, development, and production intended to increase the Nation's domestic energy supplies.

That is the objective of the legislation we are trying to write—reasonable profits, the essence of the Broyhill amendment, which ties in with the objective of this bill.

Mr. Chairman, I urge the adoption of the amendment.

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

Mr. Chairman, I yield to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, this language would not be in this bill except for the rule granted in sending it to the floor which waives points of order, because this bill requires the utilization of the Renegotiation Board to make a determination as to what constitutes a windfall profit. This is rightfully a Ways and Means matter. There is not anybody here who can define what constitutes a windfall profit.

One margin of profit might be a windfall for one individual, and another margin might be a windfall for some other individual.

If you will turn to the bill as printed on page 11 of the report, section 117, subparagraph (2), it says:

(2) Any interested person, who has reason to believe that any price (specified under any of the authorities referred to in paragraph (1) of this subsection) of crude oil, refined petroleum products, residual fuel oil, or coal, permits a seller thereof any windfall profits, may petition the Renegotiation Board (created by section 107(a) of the Renegotiation Act of 1951 and hereinafter in this subsection referred to as the "Board") for a determination under subparagraph (A) or (B) of paragraph (3).

Let us talk about whether or not what this proposes can or will work. I submit to you that it cannot. It cannot work, first of all, because one does not even have to be a purchaser of a product that he thinks might be too high He can be sitting on the sidelines and say, "This man is charging too much for this product, or that product, and he makes an appeal to the Renegotiation Board for determination as to whether or not there has been a windfall profit." There would be hundreds of thousands of such complaints. Hearings are required and judicial appeal is available. We would come to a screeching halt.

Let us talk about what the Renegotiation Board is. It is something that most do not really understand, established 17 years ago, and I say that because they have had 17 annual reports. I want to describe the Renegotiation Board from the last annual report dated December 31, 1972. They then had a total employment of only 223 people. That is down to 195 people at this very moment. Of that 223 people on December 31, 109 of them were in the headquarters office and they had only two field offices in the United States, an eastern office here in Washington and a western office located in San Francisco. Ridiculous is it not?

Who on Earth would believe that the machinery is here? If we want to prohibit the establishment of another bureaucracy to administer such a proposal as this we must take this into account, and it was not taken into account when this section was written.

The Renegotiation Board has no authority whatsoever except to renegotiate what they term excess profits only in the instances of contracts between some individual contractor and the U.S. Government and only in the instances of negotiated contracts and not contracts which are put out for bid.

But what constitutes a reasonable profit? And that is all this amendment proposes we do, that we do not allow any more than a reasonable profit, and this amendment talks about limiting windfall profits.

Turn to page 12 of the bill as printed in the committee report and you will see that for purposes of this subparagraph the term "windfall profits" means a reasonable profit with respect to the particular seller as determined by the Board. That is all in the world we are asking for in the instance of this amendment. Why not use the word "reasonable"?

Look at paragraph 1, the first paragraph of the amendment. We are saying we place the burden upon the President to allow only reasonable profits, and I am using the language used in the bill to prove that point that by limiting windfalls you require something reasonable.

But let us think some more about this. This language in this proposed substitute still controls prices and still controls profits. It just simply does it in a way that can be made to work. It cannot be made to work under the provisions of the Renegotiation Act. We are not doing away with price control. The Cost of Living Council takes care of that.

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

(By unanimous consent, Mr. HASTINGS was allowed to proceed for 5 additional minutes.)

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

Mr. HASTINGS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. It provides that prices and profits be controlled. The provisions of this amendment will simply let us succeed in controlling profits but let us think about this situation further.

If we are going to be very objective about this, we will remember that earlier this afternoon or today since we have convened the gentleman from Kentucky (Mr. CARTER) proposed an amendment to remove coal from the provisions of this section. The gentleman from West Virginia, the chairman of the committee as chairman of the committee readily indicated his willingness to accept that, because he said he understood the problems of coal. If we are going to be fair, if we are thinking about providing energy, are we not going to consider all energy in exactly the same light, because energy is what we hope to provide in enacting this legislation? We intend to provide more of it. But it is even more difficult than that. We now have a double standard.

I am advised by members of the Rules Committee on both sides of the aisle, on my side of the aisle which is the Democrat and on the other side of the aisle which is the Republican, that when the chairman went before the Rules Committee and asked for this rule he stated to this committee that this section on limiting profits, windfall profits should not be in the bill. I wonder what has happened since that time?

But now let us talk about making money. A gentleman put it in the proper perspective a moment ago. Dollars and percentages do not mean anything unless we relate that to the return on our investment. But who makes the money? The stockholders on these oil companies make it. These companies are no longer family-owned companies. They are corporations and the individual stockholders own them. What do you think has happened to them and their income from those stocks with the way the stock market has been plummeting, and energy or the shortage of energy has been taking its lumps as well and in fact is the motivating factor.

So do not get the idea that these companies as such are making money and do not get the idea that these companies as such are paying taxes. The stockholders make whatever money there is to be made and the consumers pay whatever taxes are paid; just remember that. These companies do not in the final analysis pay them. The consumers pay these taxes.

But what some cannot understand is that as far as energy is concerned price is related to supply. Supply and demand still work. We have got to understand that simple fact if we are going to do anything about providing for a decent supply of energy.

Now, think about it in any way you care to; but except for the vertical integration of these so-called giants that have been referred to here today, we would be paying a lot more for a gallon of gasoline than we are paying today. If we break them up, we are going to pay a lot more, make no mistake about that.

What some cannot seem to understand, is that there is not an oil company today that has the resources to build one single refinery, except they go and borrow that money—$400 million, $500 million, $600 million, $700 million, $800 million, to build a modern refinery today.

We either let them make the money and let them do the best they can with the profits they earn or we will have to create a national energy bank to finance that operation. It is that simple. They do not have the money.

This substitute ought to be adopted, if you believe in the free enterprise system.

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

Mr. HASTINGS. I yield to the gentleman.

Mr. KEMP. Mr. Chairman, I would like to compliment the gentleman in the well for his remarks and his faith in the efficacy of free enterprise.

There was a statement made earlier about oil profits at about $1 billion or $2 billion in the year 1973.

I would like to point out, that every objective prediction about the amount of capital needed in the next few years to develop new sources of gas and oil, is talking in terms of billions of dollars in fact, tens of billions of dollars for research and development are needed.

So the gentleman is eminently correct and I am going to support his amendment.

Mr. WAGGONNER. Gentlemen, remember this in closing. This substitute that strikes the language of section 117 speaks to the question of reasonable profits and it mandates the President of the United States, the administration, to send within 60 days after the enactment of this act, legislation to provide for control of excess profits. This is better, it is at least workable and it is something that if we have any sense of equity we are going to support.

Mr. Chairman, I just have trouble believing that we could say we will take it in the instance of coal and reject it in the instance of the rest of the business community.

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

I appreciate the impassioned plea of the gentleman who preceded me on behalf of the big oil companies. I cannot help but observe when I look at the proposed substitute for section 117 that those who offer it are not satisfied with deleting section 117 alone. Indeed they would like to legitimize the huge profits of the large oil companies. They do this, of course, by saying that they shall be permitted to make no more than reasonable profits and then they add the criteria for distinguishing reasonable profits, taking into account those profits necessary for reinvestment, for research and development, exploration and so forth.

I would submit that if we look at the history of the large companies, we are looking to a future never-never land when we can anticipate such reinvestment. If our experience in the past is any guide to the future, this type of reinvestment will not happen. Just as the great oil companies fought to retain the oil import quota when foreign oil was cheap and plentiful, they will fight the development of alternate fuels. Just as they stopped building refineries in this country in the mid-1960's, they will curtail and abandon any investment plans they have announced only in recent months.

In fact, at a recent meeting of the American Petroleum Institute just 3 weeks ago, several companies announced indefinite postponement of previously announced refinery construction plans. They allege that they are backsliding, because of the Arab oil embargo.

To hear the gentleman who preceded me in the well, one would think there is no definition of reasonable profits in section 117. There is such a definition. I would submit to my colleagues that they are going to have the opportunity to choose between the definition of the language in the substitute of Mr. BROYHILL of North Carolina, which indeed legitimizes huge profits for the oil companies, and the defintion in section 117.

In section 117 it states:

"(A) a reasonable profit with respect to the particular seller as determined by the Board upon consideration of—

"(i) the reasonableness of its costs and profits with particular regard to volume of production;

"(ii) the net worth, with particular regard to the amount and source of capital employed;

Listen to this, please—

"(iii) the extent of risk assumed;

"(iv) the efficiency and productivity, particularly with regard to cost reduction techniques and economies of operation; and

"(v) other factors the consideration of which the public interest and fair and equitable dealing may require which may be established and published by the Board; or

"(B) the greater of—

"(i) the average profit obtained by all sellers for the particular item during the calendar years 1967 through 1971; or

I have, and will submit for the RECORD here, the profits of the giant oil companies during the years 1967 through 1972. Exxon, for example, returned on net worth 13 percent in 1967; 13 percent in 1968; 10.4 percent in 1969, and so forth, with 12.5 percent in 1972.

Texaco returned profits on percentage of net worth of 15.3 percent in 1967; 13.1 percent in 1969; 12.4 percent in 1972, and so forth.

There is a choice for each of us to choose between what we would like to tell our constituents we consider to be reasonable profits. Is it what Mr. WAGGONNER spoke about? Is it some profit standard which is totally nebulous whereby presumably we anticipate that the giant oil companies will take their profits, as recently described in Newsweek in a section entitled "A Gusher of Profits," and put these profits into exploration and production of new resources, or is it indeed the very, very good criteria within section 117 which include not only return on investment, but also rich and past experience——

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

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

Mr. WALDIE. Mr. Chairman, thinking back in history, there was a time when the private energy industry refused to provide energy to an area of this country, because there was not sufficient profit in providing that energy, and to meet that need the Congress created a public energy corporation, the Tennessee Valley Authority. It would occur to me then, that there are other options than those provided in this bill, if the private industry does not quickly bring on to the market energy supplies that they are holding back for an exorbitant profit. I think the people will demand such solutions and they will occur if the energy industry persists in its selfish, greedy, and unpatriotic pursuit of the almighty dollar at the expense of the people, their health, their comfort, and their jobs.

Mr. ROY. Mr. Chairman, I want to point out to the committee that section 117 directs the President, under the authority of this act and the Economic Stabilization Act, to specify prices for the sale of crude oil, refined products and residual fuel oil which will avoid windfall profits.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

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

Mr. ROY. Mr. Chairman, I would like to remind the committee, as the Members make this choice between reasonable profits as now defined by section 117 and as defined in the amendment by the gentleman from North Carolina, that only this week it was announced that the price of gasoline will go up 6 to 7 cents per gallon, and heating oil will go up 8 to 9 cents per gallon, and that the major oil companies in the third quarter of 1973 have profits 52 percent greater than during the similar quarter of 1972.

This has already been stressed before the committee, but when we look at Exxon, we are talking about 1971 third quarter profits of $357 million; 1972 profits of $353 million; and profits which in 1973 soared to $638 million, an increase of 91 percent over 1972's already generous profits.

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

Mr. ROY. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, one thing that has bothered me about the remark of the gentleman from Louisiana about the oil companies not being able to build refineries on the basis of their profits is this:

I have before me a report of the First National City Bank of New York of April 1973, which indicates that the percent return on the net worth in the petroleum production and refining industry is 10.8 percent.

Comparatively, the figure with respect to textile products is 7.8 percent; paper and allied products, 8.7 percent; iron and steel, 6.2 percent; and aerospace 8.8 percent.

I note that the return on net worth is considerably higher with respect to the petroleum industry.

Would the gentleman not feel that would be a means by which that industry could get enough capital in order to build its refineries?

Mr. ROY. Mr. Chairman, I certainly agree with the gentleman from Texas that the capital for the building of re-

fineries certainly should be forthcoming within the industry which has such copious profits.

Let me also point out that the second section of the amendment, under "(b)" states that "not later than 60 days after the date of enactment of this act the President shall submit to the Congress legislation necessary to further achieve the purposes of subsection (k)," and so forth, not only to accomplish the already real legitimatized huge profits desired in the first section, but that he shall bring forth a proposal for "additional incentives" in order that the oil companies may make additional moneys.

Mr. Chairman, I ask the Members to vote "no" on the Broyhill amendment. I remind the Members that today is the day to act as far as the huge windfall profits being made by the major oil companies, and that we cannot wait for 60 days, plus the time required for action of the Congress, and that we, above all things, should not endorse the huge profits and adopt the idea of increasing huge profits for these companies.

I understand the great sympathy the gentleman has for the huge oil companies. I hope that the majority of my colleagues do not share that sympathy.

The tables referred to follow:

PROFIT MARGIN AND RETURN ON STOCKHOLDERS EQUITY, 1967–72

[In percent]

	1967	1968	1969	1970	1971	1972
Exxon:						
Profit margin	9.3	9.1	7.0	7.9	7.8	7.5
Return on net worth	13.0	13.0	10.4	12.0	12.6	12.5
Texaco:						
Profit margin	14.7	15.3	13.1	12.9	12.0	10.2
Return on net worth	15.3	15.4	13.1	13.1	13.4	12.4
Shell:						
Profit margin	9.3	9.4	8.2	6.6	6.3	6.4
Return on net worth	13.8	12.3	10.9	8.6	8.7	8.9
Standard Oil of California:						
Profit margin	12.8	12.4	11.9	10.9	9.9	9.4
Return on net worth	10.8	10.7	10.2	9.8	10.4	10.5
Mobil:						
Profit margin	6.7	6.9	6.6	6.6	6.6	6.3
Return on net worth	10.0	10.5	10.1	10.6	11.2	11.2
Gulf:						
Profit margin	13.8	13.7	12.3	10.2	9.5	3.2
Return on net worth	13.1	13.2	12.1	10.4	10.2	3.6
Atlantic-Richfield:						
Profit margin	10.2	10.5	8.4	7.5	6.3	5.9
Return on net worth	10.2	11.0	8.4	7.4	6.9	6.6
Standard Oil of Indiana:						
Profit margin	9.7	9.6	9.3	8.4	8.4	8.3
Return on net worth	9.5	10.1	10.0	9.3	9.6	9.9
Sun Oil Co.:						
Profit margin	9.4	9.2	8.3	7.2	7.8	8.1
Return on net worth	10.6	10.8	9.4	8.4	8.8	8.8
Union Oil of California:						
Profit margin	10.3	9.8	9.2	6.3	5.8	5.8
Return on net worth	11.2	11.0	10.5	7.6	7.4	7.6

Source: Fortune 500 magazine, 1968–73 issues.

INDUSTRY AVERAGE

Profit margin	8.6	8.3	8.3	6.9	6.3	6.0
Return on net worth	11.2	11.8	10.5	10.3	9.0	9.4

Source: Fortune 500 magazine.

5-YEAR INDUSTRY AVERAGE, 1967–71

Profit margin	7.7
Rate on net worth	10.6

Mr. GOLDWATER. Mr. Chairman, I rise in support of the Broyhill-Waggonner amendment.

My concern with the bill that we are considering here today is that we seemingly are attacking only one side of this problem: The allocation of a scarce resource.

Now, if we do not provide the resources, or if we do not provide the wherewithal to increase the supply of this scarce resource, then we will continue to allocate, to ration something that is declining down to zero.

It seems to me that the wording of section 117 in this bill is mischievous, to say the least. I wonder if any of the Members have really stopped to read what the language of this section says.

It sets up an apparatus that is going to cause havoc, that is not going to provide that wherewithal to increase the supply.

Subsection (2) says that "any interested person, who has reason to believe that any price" is a windfall "may petition the Renegotiation Board."

Then later it says precisely the same thing:

Upon petition of any interested person, the Board, if it has reason to believe that such a price has permitted such seller to receive such a windfall profit, may order such seller to take such action as it may deem appropriate to insure that sufficient funds may be available for refund of windfall profits.

Now, I submit to the Members that after we get through with all the suits and all the challenges, we will sit here distributing absolutely zero. We are setting up an apparatus that does not deal with the supply problem.

The gentleman from North Carolina pointed out—and I think most of us would agree—that this amendment, as accepted by the Committee, is not germane, and it will be impossible to administer.

Think of it in those terms. The amendment that is offered by the gentleman from North Carolina (Mr. BROYHILL) is a reasonable compromise to those who are concerned about excess profits or windfall profits.

It provides an apparatus which is workable. The apparatus in the bill will just be mischievous and wreak havoc with the supply side of this problem.

Mr. Chairman, this is a good compromise and should certainly be supported.

I have to ask have we really lost sight of how we get the supply to meet the demands of our people for goods and services? Have we turned our backs on the creative nature of Americans which produce the highest standard of living in the world? Have we forgotten the supply of energy or anything else is directly related to the expenditures made to produce it?

Certainly it ought to be obvious that the energy industry cannot invest enough if money is not available, and money will not be available if profits are not adequate. It has been estimated that in order to meet the increased demand we will see in the future we will have to increase these profits on capital investment an average of 18 percent per year. Oil companies, of course, are going to reap a large profit, but, gentlemen, we have ways of dealing with that. If we adopt the Broyhill amendment, we will have a sensible approach to keeping tabs on the excess profits.

Profit pure and simple would be incentive enough to get many of these energy companies going out—in fact, racing out—in order to create the supply to meet the demands of this country. There seems to be—and commonsense will certainly tell us there is—a direct relationship between profits and capital and supply. If those profits are too small, there will not be enough energy. It is that simple.

Mr. ROY. Will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman.

Mr. ROY. May I ask this question: Is it not true that section 117 as presently constituted provides for a decision on the record by the Renegotiation Board, No. 1, and, No. 2, it also provides for judicial review of such decision?

Mr. GOLDWATER. Certainly reading the language of the amendment offered by the gentleman is confusing enough in itself. There are provisions, I am sure, for relief, but I think the amendment adopted by the committee is mischievous. It will wreak havoc on the supply side.

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

Mr. Chairman, I would like to find out if we can have an accommodation on the time. I wonder if we can vote on this amendment in 25 minutes.

The CHAIRMAN. The chairman of the committee asks unanimous consent that all debate on this amendment conclude in 25 minutes.

Is there objection?

Mr. PICKLE. Mr. Chairman, I object. If I am recognized, then I will agree with it.

The CHAIRMAN. Objection is heard.

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

Mr. Chairman, everyone in this House knows that the cost of our fuel is going up, and inexorably going to increase probably at all levels. It always happens in times of shortages. I think that would follow and we should understand that probably the profits will increase.

Profits as such ought to be considered and determined by the Committee on Ways and Means. They, the Ways and Means Committee, are constituted for that purpose. The acting chairman of that committee, the gentleman from Oregon (Mr. ULLMAN) said that they would hold immediate hearings on this subject and try to bring forth some kind of bill that would be fair and reasonable.

This is a matter which affects profits and affects prices; it refers to the Renegotiation Board and to machinery that cannot work with or without judicial review. Here we are talking about a matter of profits which is something that ought to go to a committee which is set up to hold hearings and get the facts on this subject.

I have noticed for the last hour we have done nothing but talk about accusations on what company has made how much profit, or how much they need, or how much coal companies did or did not make. This ought to be established through a series of hearings. The Members know that we should not vote on prejudice. We know that this is true. But we did not have any hearings on profits. This particular windfall profits amendment came out of chute No. 1 late in the evening, without any notice, and a point of order of germaneness against it was not allowed, and it was before us before you could say your name. That is not being fair to our system of Government, to the oil and gas companies nor, indeed, to the coal companies.

However, the coal companies were taken care of this morning, and I voted for that because I do not believe the coal companies ought to be held back. I think they are entitled to an increase.

We had a meeting before our committee not too long ago with a representative of the coal industry, and he admitted that the price per ton of coal would probably go up two or three times within the next 2 or 3 years. And the chairman of the committee, the gentleman from West Virginia (Mr. STAGGERS), bless his white-grey hair, made a statement to us, and he said that we could not expect our coal people to go out there and dig in the mines or engage in unprofitable strip mining operations unless they are guaranteed a profit, or at least we have to give the companies some assurance that they would expect a return on their investment. And of course the gentleman is right. I do not object, and did not, to the gentleman saying that, because I support what he said. But I do not believe it is fair to say that that should be helpful to the coal industry, but it is not helpful to other industries. I recognize it is a fact that we really need some changes made. And after the first of the year I think with the demand that those that I hear crying out against the companies' profits these people will be on the floor demanding that we do something. I do not know what will happen, but we ought to try to do something about it. We ought to do something about excess profits. I do not know what to expect on that. The gentleman from Arkansas (Mr. MILLS), has said that he will attempt to deregulate gas, and I think it will probably come in some kind excess profits legislation. That is probably where it will come.

The very people who have been arguing against the fact that we ought to keep this in the bill are the very people who on occasion in the last 2 years have been talking in public hearings all over the country that this shortage is contrived, and therefore gas companies do not need any relief in natural gas. They have made that statement over and over. And the people down the street have said before the committee that if we could get a better supply of natural gas now, it would probably ease our shortage more than any other thing, because our problem is brought about by the fact that we have only a certain amount of natural gas, and everybody uses it. Everyone uses all they want to because it is clean, and it is cheap, and it has been getting delivered so everybody can use it. As a consequence, we are about to run out of natural gas, and we are going to have to rely more and more on coal and more and more on other products.

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

Mr. PICKLE. I do not yield to the gentleman from Washington at this time. I will be glad to yield to the gentleman later, if I can. But I appreciate this 5 minutes after 2 days. So I want to go ahead and use my time.

So, Mr. Chairman, I ask the Members—because I know their feelings, but I hope that they have enough good judgment not to be voting on their prejudices: Give us the means of increasing our energy supplies instead of just voting our prejudices. I do hope the Members do not vote just on the basis of prejudice. I am mindful of the kind of the image the oil and gas companies have and it might be easy for you to vote your prejudices.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PICKLE. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 2 minutes.

Mr. MOSS. Mr. Chairman, I would suggest that the gentleman have 3 minutes in order that he may fully savor his feelings.

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

Mr. YATES. Mr. Chairman, reserving the right to object—and I shall not object.

I oppose the Broyhill amendment. The statistics on the profits of the oil companies that have just been presented to the House by those who have spoken against the amendment depict graphically the dramatic increase in profits of such companies since the shortage of energy fell upon this country and the world. It would be shocking if the House were not to place some limit upon the earnings of such companies. Surely, they should not be allowed to take selfish advantage of the plight of the consumers.

It has been asserted by those who support this amendment that even though prices may rise they will inevitably come down as supply catches up with demand. Perhaps that is true in respect to other industries, but it certainly is not true for the oil industry. The history of that industry is one of controlled scarcity, scarcity generated by capping wells, by hot-oil legislation, by international agreements, by import restrictions and other devices. The history of the oil business is of one-way pricing—upward, continually upward. There is no downward movement at all.

Renewal of the windfall profits of the oil industry is essential to protect the consumer of this Nation. It is essential to carry one the purposes of this bill that the sacrifices required by this critical time fall equitably upon all segments of our economy and our population. The Broyhill amendment will distort that purpose. It should be defeated.

Mr. Chairman, I withdraw my reservation of objection.

Mr. PICKLE. Mr. Chairman, I might say that my request was for 2 minutes, and I do not want to impose on the Members by requesting additional time.

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

Mr. ADAMS. Mr. Chairman, reserving the right to object, I would inquire of the gentleman from Texas whether the gentleman might answer a couple of questions during this additional 2 minutes.

Mr. PICKLE. I hope that I can do so if I have the time.

Mr. ADAMS. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. PICKLE. Mr. Chairman, my appeal is not to vote for this amendment simply as a vote of one's prejudices. Do not let this vote be a vote against windfall profits when it actually would be a vote of prejudice, and in truth a vote against the oil and gas companies per se.

I ask that, in spite of the fact that I know about the general image the oil and gas companies have in this country today. Somebody said recently, "I guess the lowest group in America today would probably be the present administration." I guess that in all of the polls taken as a group today, they are on the bottom of these polls.

But I say to the Members that I think that would be wrong. I think the

oil and gas industry probably has the worst image. For some reason or other, the people think that they are the group that just ought to be "gotten," and they must be on the bottom of any poll.

I am not trying to rate the groups. I suppose before the Members take much comfort in that, the third rating would probably be elected officials, and I think fourth might be the gentlemen up in the gallery. But I guess overall the oil and gas industry has about the worst image of anybody in America. I think it is undeserved. Although they have made big profits, so have A.T. & T. and I.T.T., and I.B.M. and other big conglomerates. That in itself ought not be an indictment against them.

Remember this: They have given us in America and the world the greatest system of delivery of energy of any nation in the history of this world. Although they have shortcomings, and although they have some weaknesses in the chain, at the same time they, as an industry, are the envy of the world.

Surely we ought not to take action here today just because of prejudice we would want to say we are against profits because to be against windfall profits. that sounds good back home.

I ask the Members to vote fairly, because this amendment that is pending simply says that the President can keep profits to a reasonable amount, and he is directed to give us a recommendation on excess profits legislation after the first of the year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

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

Mr. PRICE of Texas. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DEVINE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I yield to the gentlewoman from Michigan (Mrs. GRIFFITHS).

Mrs. GRIFFITHS. I thank the gentleman for yielding.

Mr. Chairman, I am not one of those who is suffering on the side of oil, but I rise also in support of this amendment. I think a few kind words should be said for the consumer. From the time of President Kennedy until today, and the time of the Chief Economic Adviser, Walter Heller, until today, there has not been a President nor a Council of Economic Advisers that nas not sought the right for the President to levy taxes in some restrained manner. In my judgment, while section 117 does not give an explicit delegation of power for the levying of taxes, it gives an implicit delegation of power. In my opinion, the President would use it.

As long ago as last summer Secretary Shultz came to the Committee on Ways and Means and asked that we consider the idea of levying a 40-cents-a-gallon tax on gasoline to sock up the price. In my opinion, the President could meet both objectives of section 117, by permitting the price to rise to $1 per gallon and levy a tax of 50 cents. Personally I am opposed to this. I told Secretary Shultz then. I am opposed to section 117, I am going to vote to eliminate it because I feel that if we are going to have that kind of tax levy, it should come before this body and we should vote on it.

I heartily support the amendment because I support the American consumer, not necessarily the American oil company. I urge everybody who feels that the power to tax should be left with this body to vote to support the amendment.

Mr. DEVINE. I thank the gentlewoman from Michigan.

Mr. Chairman, I yield to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to discuss H.R. 11882, the Energy Emergency Act, legislation that has a direct bearing on the economic welfare of every citizen in my district and for that matter nationwide as well.

I would urge my colleagues to read and acquaint themselves with the separate views of my distinguished colleague from California (Mr. GOLDWATER) within the committee report.

Our colleague has pointed out the similarity between this legislation and the Economic Stabilization Act authorizing wage and price controls. As Congressman GOLDWATER points out, it did not take very long before the public became disillusioned with artificial restraints on our economy and that in this case folks will fast tire of any program that calls for indefinite rationing and other Government controls that do nothing to increase our energy supplies. Congressman GOLDWATER made another astute comparison when he compared this legislation to the proposed freeze on beef prices and the emotional merry-go-round we went through this past summer when some of our well intentioned colleagues proposed to put price controls on all farm products. Price controls on beef sound good to the consumer but when the consumer discovers because of that arbitrary action she cannot purchase beef at any price, the problem becomes much more serious. We can indeed ration and regulate our energy supplies but if we do, in the long run there will not be any energy to ration or control.

I am also very concerned and alarmed in regard to the so-called windfall profits provision of this bill. I do not know of any Member of this body who favors "windfall profits" or possible price gouging by anyone who would utilize or take advantage of the American consumer as a result of our current energy problems.

This amendment in committee has as its purpose to make sure that energy companies do not reap abnormal profits during the current shortage. I submit this is the wrong way to go about safeguarding the public interest. If passed without any exemptions, I can state section 117 could virtually wipe out the Kansas independent oil and gas industry.

I do not mean to imply that we should not examine and deal with the question of profits by our major oil companies but as my distinguished colleague from Texas (Mr. PICKLE) has pointed out in his separate views in the committee report on this bill, the windfall portion of this bill was proposed and adopted in less than half an hour without the benefit of full discussion and hearings.

Congressman PICKLE recommends that if price gouging and windfall or excess profits are a proven fact then the Ways and Means Committee could and should legislate taxes that would take care of the public's need. I strongly agree.

Let me be specific. In my home State of Kansas almost 40,000 stripper wells produce 69 percent of the State's oil, some 51 million barrels in 1972. Yet, 1,356 were plugged in 1972 because they failed to reach the break-even point. During the past 5 years, almost 9,000 were plugged for the same reason. The conclusion is obvious, producers must have sufficient capital to increase supply as well as the delivery means to meet our energy demands.

Yet section 117 defines "normal profits" as average profits over the period from 1967 to 1971; the same depression period in which we have seen some 9,000 stripper wells plugged. When you fix profits to a depression level, obviously any increase would appear to be excessive. This action also fixed discovery potential and in turn, supply to this same depression level and that is precisely what has caused the problem.

I am also most concerned over the langauge of this bill that allows any citizen to file a class action complaint that would result in alleged "windfall profits" to be placed in escrow subject to determination by the Renegotiation Board and possible judicial review and action. If I understand the language of this section this procedure would apply to the producer or seller of all petroleum products even to the extent it would include a small filling station operator.

Judging from the emotional nature of this issue I can imagine a situation where any angry motorist could file a class action suit against his local service station operator. Lawyer fees alone could wipe him out. I think it is obvious that if we tie up profits through class action complaints and put them into a bureaucratic and legal deep freeze, we are also tieing up capital that could be utilized for discovery, drilling, and increased supplies.

Mr. Chairman, while it is obvious we must expedite action in the Congress to find answers to our energy crisis and while I believe certain items in the bill we are considering should be passed in some form, I am most concerned over the approach we seem to be taking.

More and more, it seems to me, we are taking our system of free enterprise down the road to "big brother" government wherein we subject American business to arbitrary, punitive, and regulatory regulations and controls. It is just as important for bad legislation not to pass as it is for us to carefully consider and enact good legislation. I do not believe

we can protect the American consumer and increase our energy supplies by subjecting the oil and gas industry and related businesses to this kind of legislation.

I do not question the intent of this section but I feel it was ill-conceived and hastily written by those lacking full understanding of this complex problem.

The practical effect of section 117 would be to virtually close down the oil and gas industry in Kansas. The long-range effect of this type of legislation could well lead us to a government controlled economy in which the consumer is confronted by a nightmare of controls, bureaucracy and redtape and precious little consumer goods and sources.

Mr. Chairman, when the high cost of food triggered an emotional response to control farm prices we fortunately prevented that legislation from passing. As a result, our farmers are economically free to do what they do best—produce and feed this Nation. It seems to me we should do the same for our oil and gas industry.

Mr. Chairman, I support the amendment offered by the gentleman from North Carolina (Mr. BROYHILL) and hope that it passed.

Mr. DEVINE. Mr. Chairman, I yield to the gentleman from Delaware such time as he may consume.

Mr. DU PONT. Mr. Chairman, earlier this afternoon on rollcall No. 662 I erroneously voted "no." It was my intention to vote "yes," and I wish to correct the RECORD to show that my vote on rollcall No. 662 was "yes."

I support Mr. DINGELL's amendment to prohibit petroleum allocations for the purpose of schoolbusing to achieve racial balance. My initial vote was cast erroneously because the text of the amendment in my hand at the time was not the same as the text of the amendment being voted upon.

Mr. CARNEY of Ohio. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it seems very strange to me as a relatively new Member of this body who mostly sits aside, and observe the pattern of things—I have noticed that when there is something on minimum wage for some little guy, we see certain gentlemen rise and fight very strongly. They say we would destroy the American way of life to give some little guy a minimum wage.

Once we try to do something about excess profits and to control them, then of course we are said to be tampering with the American way of life.

Thank God the people in this country are becoming a little better educated. I for one agree with a great many political scientists that perhaps we may be needing reform of the two-party system of this country.

Maybe we had better get together some of those who want excess profits. Get them together from both sides of the aisle, and then get together those from both sides of the aisle who want to do something for the little people of this country. Maybe we had better get them together.

I am not opposed to people making a fair profit but when we get up and just decry the situation when there is evidence before us that certain groups have made all kinds of profits, and have someone say they have not made a thing, and that we should let them make it, I question that.

They say if we want energy power we are going to have to pay for it through the nose. I still think the people have something to say about the way this Government is run. I am telling the Members that we are sitting here and worrying about the producers, but I do not see many people getting up and talking about the man who wants to go to work or who wants to provide heat for his kids. We are not talking about that. We are talking about profits.

We are not getting to the meat of the problem. The American people want some answers. They want some heat in their homes. They want to be able to get back and forth to work. They want some of those answers.

But what do we worry about? We worry about how much profit the oil producers will gouge out of us. I hope it goes on the RECORD. I hope there is a rollcall vote. I hope the things I do get out to the common people and then we can think about the common Joe and give him some gas instead of worrying about all kinds of ways of making excess profits for the greedy.

If we do this the American people will be thanking us.

My friend, the gentleman from Texas, said we are second or third from the bottom of the list. If we do not wake up we will be at the bottom before long. Let us give the people what they want. Let us give them more energy and let us do it now. Defeat the Broyhill amendment.

Mr. Chairman, I want to clarify an amendment I offered to the "Energy Emergency Act" in the Interstate and Foreign Commerce Committee, which is now section 110 of H.R. 11882.

When I offered my amendment in committee to make it unlawful for any person engaged in the business of marketing or distributing diesel fuel to deny full fill-ups of fuel to trucks on bona fide cargo runs, it was not my intention, nor do I believe that it was the intention of the committee in adopting this amendment, to deny fuel to diesel passenger vehicles, or to make it impossible for diesel fuel automobile owners to obtain fuel for their vehicles.

According to Environmental Protection Agency studies, diesel fuel passenger vehicles now meet the most stringent emission control standards and show a 70 percent greater fuel economy than comparable gasoline vehicles. Therefore, diesel fuel passenger vehicles should not be penalized more than gasoline passenger vehicles in the allocation of fuel.

Mr. STAGGERS. Mr. Chairman, I rise again to make a unanimous-consent request to see if we can get a consensus of opinion on the time.

Mr. Chairman, I ask unanimous consent again that all debate on this amendment close in 20 minutes.

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

Mr. JOHNSON of Colorado. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STAGGERS. Mr. Chairman, I ask unanimous-consent request that all debate on this amendment close in 25 minutes.

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

Mr. BROYHILL of North Carolina. Mr. Chairman, reserving the right to object, and I shall not object, I would urge Members to limit debate because we do have a number of amendments at the desk and I think within 25 minutes we are going to be able to dispose of this amendment and have the Members be heard.

Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The CHAIRMAN. The Chair will recognize Members on the list for approximately 1 minute.

The Chair recognizes the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I support the Broyhill amendment as the only practical and reasonable method of preventing windfall profits from the production and sale of petroleum and its products. It provides a proved means of recapturing such profits through our taxing system and makes certain that a few may not benefit from the scarcity now upon us.

It is time to make clear, Mr. Chairman, that many of us, and most especially this Member, are as strongly opposed to windfall profits as those who support the amendment proposed by my colleague from Kansas (Mr. ROY) and that will be considered as a committee amendment, section 117. I do not want any corporation, whether it is a giant integrated oil company whose pumps sell gasoline to the public, or an independent operator, benefit unfairly and improperly from current and forthcoming high prices for gasoline, diesel, heating oil, and other products.

The incongruity of the committee amendment designed to eliminate windfall profits is amazing. The same committee which carefully considered, reported out, and secured House floor approval of the mandatory allocation bill a scant 2 weeks ago; a bill that lifted allocation controls and price controls from small producers in an effort to spur domestic oil production; that same committee now proposes an amendment that would negate the earlier provision and take away from the small producer any incentive to open capped wells, drill new wells, and bring about greater domestic production.

I simply fail to understand the logic of my colleague's (Mr. ROY) position. In one case he supported legislation that would help our Kansas oil producers. I

must remind him that more than 90 percent of Kansas oil production is from stripper wells whose average production is slightly more than three barrels a day. The stripper well amendment encouraged additional production by permitting these producers to obtain the going market price. Indeed, in the last few weeks Kansas newspapers have reported a boomlet in oil production plans—the first in more than a decade.

Now, he seeks the enactment of an amendment that would limit those producers to the profit—I hesitate to use that word since there was virtually no profit—to the profit those producers obtained during the period 1967 through 1971. That base insures that in the case of Kansas producers, and indeed in the case of all stripper well production in the United States, there will be no reason to look for more oil.

Indeed, it may well assure that existing production should be shut down since the measurement for profit will be such as to make meaningless the current market price for crude oil. In short, the seller may now obtain $5, or $5.50 or even $6 a barrel for oil but his base for determination of what he may retain will approximate $3.90 or less per barrel.

The language of the committee amendment before us, is in some respects almost beyond belief. As written it would permit the operator of any filling station to be brought before the Renegotiation Board by the buyer of 1 gallon of gasoline at his pump on the complaint that the price charged for that gallon of gasoline resulted in a windfall profit. Of course that in itself is a bit ridiculous but since class action suits are permitted and encouraged, such a suit by a single buyer in behalf of all who bought gasoline from that filling station is certainly within the realm of possibility.

I repeat that no one—not the Government through a tax to discourage use of gasoline; not the oil companies through raising prices for their product; no one, I repeat, should be permitted to benefit from this energy shortage at the expense of the user who is not responsible for the shortage. As usual, the little guy, the average user, is the fall guy. He has a right to object if any are to profit at his expense.

Thus, we should deny windfall profits to all in the industry. But the way to do that is through an excess profits tax. It is easy enough to determine the profitability of oil producers—whether huge integrated corporations or individual stripper well lessors—through the Internal Revenue. It is easy to draw an excess profits tax provision. The Broyhill amendment makes clear that within 60 days the President shall recommend such a provision. I have little doubt that the IRS is more capable of preparing an effective taxing statute than we of the Interstate and Foreign Commerce Committee. Nor do I have any doubt that our own Ways and Means Committee can and will do that job capably and expeditiously.

Mr. Chairman, I urge adoption of the Broyhill amendment defeat of the committee amendment proposed by my colleague from Kansas (Mr. ROY).

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER) for approximately a minute.

(By unanimous consent, Messrs. MILFORD, FLYNT, and LANDRUM, yielded their time to Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Chairman, before we vote on this substitute for section 117, it behooves us to just stop and think about what the bill tries to do in section 117 and what the substitute amendment proposes to do.

Now, the supporters of section 117, as contained in the bill, say that we ought to do something to limit windfall profits. Again I am redundant, but I want to remind Members again that there is no way that the Renegotiation Board, which only has authority under the law to renegotiate supposedly excess profits when an individual has a contract with the Government and only then a negotiated contract. Any interested individual can file a complaint about supposedly windfall profits. Hearings are necessary. Judicial appeal is provided for. Mass confusion will result.

How many of us would believe that the courts of this land could even function if we tossed this hot potato from the Renegotiation Board after they had made a decision which they cannot legally do to the courts?

All this substitute language says is that the President, to the extent practicable, shall exercise his authority under this act which we are going to give him and under the Economic Stabilization Act of 1970, as amended, which we have already given him, to be sure that companies make no more than reasonable profits. But, if we really want something in the way of an excess profits tax, it is provided for in the second paragraph of this substitute language, and it is not provided for in the committee bill.

The President is mandated to bring, within 60 days of the enactment of this act, a legislative proposal to the Congress to further achieve the purposes of paragraph 1 of this substitute language, which says:

> Don't let anybody make more than a reasonable profit.

And, in attempting to define what windfall profits are, the committee itself sent a bill to the floor which uses the term "reasonable."

Now, we either want it to work or we do not; we either want to be fair or we do not. Let us treat everybody alike. We have already removed coal from this provision; let us treat oil, the suppliers of energy, in exactly the same way.

But, if we are not going to be shortsighted, remember this: Refined petroleum products are in time going to be produced in ever-increasing quantities, and the products, the byproducts, refined products of coal will still, even though coal is not in the bill at the present time, be subject to the provisions of this supposed effort to limit windfall profits.

Get rid of the idea which the gentleman from Ohio (Mr. CARNEY) threw out for us to think about. This bill does not provide one barrel of oil, one drop of energy of any sort. This bill is intended to provide a means whereby we, if we do certain things, can conserve as well as provide for energy allocation. We have already heard earlier today that the oil companies own a certain percentage—25 percent, the figure was—of all the coal in this country. We are not going to keep a good business in a free enterprise system from being able to succeed, and we had better believe that these people in the oil business today are deserving of the dollars they have made, few though they be, because 77 percent of all the energy we utilize came from oil and gas last year.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

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

Mr. JOHNSON of Colorado. I yield to my colleague from Colorado.

Mr. ARMSTRONG. Mr. Chairman, I ask for this time to allocate my time to my colleague from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, I would like to direct a question to the gentleman from Washington (Mr. ADAMS) who has the remaining time. He will probably have to do this during his own time.

Yesterday, during the debate with respect to the Broyhill amendment, several Members talked about giving the President the authority to pass down rules and regulations with respect to conservation of energy that would become law unless the Congress vetoed it after 15 days. The gentleman from Washington, the gentleman from California, the gentleman from West Virginia, and the gentleman from Texas all made very persuasive speeches—I was persuaded by them—that this is not the way we legislate.

Now, we have an amendment, it seems to me, which is on the side those gentlemen were on yesterday. How can they advocate turning over to the executive branch of the Government the taxing policy of the country? How can they turn over to the President the determination of what constitutes windfall profits? This it seems to me, is totally inconsistent with the position which these gentlemen took yesterday. I have tried to get the floor to ask this question.

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

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, this does not turn over any taxing power to the President, directly or indirectly. It turns over to an established board that has had many years of operating experience and which is clearly within its competence, to make a determination, and the statements made by the gentlewoman from Michigan were totally inaccurate, as is the inference in the statements the gentleman from Colorado has just made.

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

Mr. JOHNSON of Colorado. I yield to the gentlewoman from Michigan.

Mrs. GRIFFITHS. Mr. Chairman, that is the gentleman from California speaking, and I would like to submit that I have been set a long time on this, and my opinion is just as good as his.

The CHAIRMAN. The Chair recog-

nizes the gentleman from Tennessee (Mr. BEARD).

(By unanimous consent, Messrs. BEARD, KEMP, FRENZEL, WINN, and YOUNG of South Carolina yielded their time to Mr. PRICE of Texas.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PRICE).

Mr. PRICE of Texas. Mr. Chairman, I thank the gentlemen from the various States for yielding their time to me.

I would like to address myself to a number of the Members who, in my opinion, have been giving the body some erroneous information about the profit picture of the major companies of this country.

It seems to me that there is a great discrepancy between the figures that the gentleman from Kansas (Mr. ROY) gave and the figures that the gentleman from Ohio (Mr. HAYS) gave and the figures that the gentleman from Illinois (Mr. CRANE) gave this morning with regard to the profits that are made by the companies.

I might remind these gentlemen that 80 percent of this Nation's exploratory wells are drilled by the independent oil producers and drillers in this country and not the major companies of this Nation.

The major part of the taxes is paid by the stockholders of this country, but as they tried to quote the figures today, in my opinion, they misled the debate here today.

I reiterate, Mr. Chairman, that referring to the taxes that were pointed out here in the colloquy today, about how much the major oil companies have paid, we seem to forget that these major companies are primarily the investments of the American people. They are the consumers. They are the ones who are paying the taxes of these major oil companies.

I again reiterate that 80 percent of all oil and gas exploratory wells are drilled by the independent producers and drillers.

Of course, in reference to this bill, if there are excessive profits, there is some question as to who this board is that is going to determine the excessive profits. What education do they have in this area?

In my opinion, I think it will do more to destroy the production of oil and gas in this country than anything we could do.

Mr. Chairman, the time has already passed for the Congress of the United States to face up to its responsibilities to assure an adequate and reliable supply of natural gas for the consumers of the United States. Natural gas, the cleanest burning, cheapest fuel we have in this country has been discriminated against by repressive legislation. Our other primary fuels—coal and oil—are regulated by the laws of supply and demand, subject only to national security considerations. Gas is regulated by the Congress through delegation to the Federal Power Commission.

In the last 4 years, the FPC has recognized the repressive nature of the decisions of the 1960's, which resulted in lower and lower prices at the wellhead until exploration and development of new reserves was dangerously discouraged—discouraged not only by the prices set, but, more important, discouraged by the absolute uncertainty that faces a person who sells gas in interstate commerce. In only three areas of the country—Permian and Hugoton Anadarko, and Appalachian, Illinois, does that person know how much of his contract price he can keep, and, even then, the FPC can lower his price for the future. In the other areas of the country—vital areas of production like southern Louisiana, including the Federal domain, Texas gulf coast, other Southwest, and Rocky Mountain, the producer has no assurance as to what price he is selling his gas, because the FPC or the courts can order refunds of past moneys collected and reduce the price for the future. FPC rate cases sometimes take 12 years to process—and the clock is still running on court review. How Congress, with its plenary power over interstate commerce, can permit a system which requires a person to deliver a commodity without knowing what he will be paid for delivering it for years and years which have come and gone and which are yet to come, is a mystery, and is probably the result of the lack of a crisis. We have a crisis now, as many of us have predicted, which commands the attention of the Congress. More than a dozen major interstate natural gas pipelines are curtailing service to consumers this winter.

"Curtailing service" is a nice way of saying that consumers are being cut off from gas supplies because there is not enough gas to meet current requirements, much less to add new customers. As factories and schools are closed down, as crops are rotting for lack of process gas, as homeowners are being turned away from coast to coast, we, the Congress, cannot stand idly by and say that the policies of the Natural Gas Act, adopted in 1938 and first applied judicially to producers in 1954, are adequate. Congress must recognize its own failures and those of its chosen instrument, the FPC, and remove the cloud over the sale of natural gas in interstate commerce. Earlier this year, I introduced legislation, H.R. 3299, that would take the FPC out of the business of regulating the sale of natural gas in interstate commerce—directly, or as Federal agencies sometimes do, indirectly. Market forces would control the sale of gas by producers—both independent producers and affiliates of pipelines who, in desperation, are competing for leases so new supplies can be attached for use by consumers. For gas now being sold in interstate commerce the existing contracts could, for the first time, be honored as the parties negotiated them in the first place, but which have been overridden by the FPC. Gas sold in the future would be regulated by the contracts, not by the FPC's judgment as to what a contract should contain. Thus, the disincentives of regulation would be removed, and there would be no regulatory impediment to exploration and development of reserves. The consumer would benefit in expanded gas supplies from assured domestic sources and at a price far cheaper than the exotic alternatives of freezing gas in Algeria or Russia and transporting it by tanker to our shores at a cost of $1.30 a million cubic feet up, as compared to the current average price under regulation of about 0.20 per million cubic feet. The FPC has already approved a base load project of Algerian LNG for our east coast, and that is not all. Also at a cost of $1.30 a million cubic feet and up, pipelines are turning to manufacturing synthetic gas from naphtha and natural gas liquids, thereby threatening to increase the shortages of vital feedstocks for manufacturing. How the FPC can hold the wellhead price on an area rate basis to 26 cents in south Louisiana and, at the same time permit gas to be sold at $1.30 a million cubic feet from a plant is explained by the way the Natural Gas Act has been construed, but the result is intolerable to the American consumer. I urge the Congress to join me in enacting this amendment which will allow natural gas to compete on equal terms with oil and coal in the interstate market. By turning our free enterprise system loose, private industry will solve this problem quicker than all of the Government regulations we can pass into legislation.

Mr. KEMP. Mr. Chairman, I compliment the gentleman from Texas (Mr. PRICE) on his remarks to join him in urging the deregulation of natural gas at the wellhead.

It seems appropriate, Mr. Chairman, as we proceed with this amendment, to examine carefully some of the major points around which this debate is centering. I refer, specifically, to the concern over profits and the efficacy of deregulation of fuels such as natural gas.

Much of the debate today has centered on profits. Somehow, there seems to be some taint attached to the word "profits," as if they were some evil product to be disdained by good citizens.

I cannot help but say that I regard this as most unfortunate. There is nothing wrong with profits, per se.

Without profits, there can be no surplus funds from which to increase production by reinvestments of capital.

Without profits, there can be no surplus funds from which to meet employees' salary boosts.

Without profits, there can be no funds from which to pay investors whose hardearned dollars provide the financial backbone for our industrial system and the diversity of investors which, in itself, helps to distribute personal income more evenly among our people.

Without profits, there can be no incentives for businessmen, from the mom-and-pop grocers to major producers, to go into business, thereby creating jobs and incomes for others.

Profits are incentives to production. Profits are the means for capital formation requisite to the production of additional personal income for our people.

We should, therefore, not look upon profits as some evil but rather as a vehicle through which we can resolve a great measure of this energy crisis by stimulating production.

What are the facts about profits in petroleum industry?

PETROLEUM INDUSTRY PROFITS

Historically, the petroleum industry's profitability has been lower than the average for all manufacturing industries.

Based on comparative studies by the First National City Bank of New York,[1] over the last 10 years, 1963 through 1972, net income as a percent of net worth in the petroleum industry averaged 1.8 percent. For the same period, the ratio for all manufacturing industries in the bank's survey, averaged 12.2 percent. See table I. or more than half of this period, 7 out of 10 years, the profitability of the petroleum industry was lower than the all-manufacturing average. Of particular significance for current analysis is the fact that the petroleum industry's rate of return has been on an almost uniform downtrend since 1968, dropping to a 10-year low in 1972. In that year, the petroleum industry's rate of return was 10.8 percent, as compared to a manufacturing average of 12.1 percent.

Turning to the more recent record, according to the latest Federal Trade Commission report,[2] petroleum industry profits for the four quarters ending in June 1973, were 10.5 percent above the comparable year-earlier period. Over the same two annual periods, profits of all manufacturing corporations increased by 28.1 percent. See table II.

In terms of the critical yardstick of profitability, petroleum industry profits as a percent of stockholders' equity has grown from 9.2 percent to 9.6 percent, between these two periods, an increase of 4.3 percent. Over the same time span, average manufacturing profits have risen from 10.0 percent to 11.8 percent, an increase of 18 percent.

These data make clear not only that the rate of return in the petroleum industry is substantially below that of the average for all manufacturing corporations, on an absolute basis, but that manufacturing corporations generally have increased their profitability, in the past 2 years, by more than four times the rate for petroleum refining.[3]

Assertions as to the growth of petroleum industry profits have been based on comparisons of individual quarterly results in 1973 and 1972. The fallacy underlying these comparisons is that petroleum profits were falling to a 10-year low in the 1972 base periods, while average manufacturing profits were rising. Hence, the ostensible quarterly growth in petroleum profits actually represents recovery from depressed profit levels rather than real profit trends.

These misleading statements have frequently attributed the rise in petroleum profits to unwarranted increases in petroleum product prices. But such price increases as have been allowed by the Cost of Living Council have been based on fully documented increases in costs, particularly the sharply rising costs of imported crude oil and products. For example, in recent months the landed costs of imported crude oil have risen to more than $7 a barrel, while No. 2 home heating oil has ranged from 35 cents to 45 cents a gallon.

The damaging consequences of distorted allegations of high petroleum profits is that they divert attention from the large capital expenditures that are needed to assure the Nation of reasonable self-sufficiency in oil and gas resources. According to estimates by the Chase Manhattan Bank, the domestic capital requirements of the petroleum industry over the 15 years, 1970 to 1985, will total $220 billion.

[1] First National City Bank, Monthly Letter, April of each year.

[2] Federal Trade Commission, "Quarterly Financial Report for Manufacturing Corporations", Washington, D.C.

[3] Profits in petroleum refining include the integrated profits of corporations engaged in refining and other phases of petroleum industry operations.

TABLE 1.—NET INCOME AS A PERCENT OF NET WORTH: PETROLEUM, OTHER SELECTED INDUSTRY GROUPS, TOTAL MANUFACTURING AND TOTAL MINING 1963 THROUGH 1972

Industrial groups	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972[1]	10-year average 1963–72
Drugs and medicines	18.7	19.8	21.2	22.5	20.3	19.8	17.7	18.8	19.0	19.7	19.5
Soap and cosmetics	16.9	17.6	17.0	17.9	19.4	18.9	18.6	18.7	19.3	20.4	18.7
Instruments, photo goods, etc	13.4	16.6	19.2	21.2	20.3	19.2	18.7	15.8	15.4	16.8	17.6
Office equipment and computers	18.0	17.9	18.7	18.1	17.8	19.0	17.4	13.9	12.5	13.8	15.8
Autos and trucks	19.6	19.9	23.4	17.8	12.0	16.6	13.8	5.8	15.0	17.2	15.6
Tobacco products	14.0	13.4	13.3	13.9	14.8	14.6	14.6	16.4	16.6	16.2	14.9
Printing and publishing	12.4	14.6	16.9	17.9	15.4	14.9	14.8	12.5	12.6	13.7	14.3
Household applicances	12.8	14.1	15.0	15.0	14.7	14.0	13.5	11.9	12.1	15.4	13.8
Clothing and apparel	12.0	13.6	16.3	16.2	13.6	15.7	13.3	10.7	10.8	11.1	12.8
Electrical and electronic equipment	10.7	11.1	14.8	16.7	15.4	14.1	13.0	10.1	10.7	13.0	12.7
Dairy products	11.2	12.2	12.5	12.6	11.8	11.7	11.8	12.0	12.6	12.6	12.1
Chemical products	13.2	14.2	15.4	14.6	11.5	11.7	11.4	9.5	9.7	11.3	12.0
Automotive parts	11.4	12.2	13.4	14.0	11.4	12.6	13.0	8.9	10.4	13.1	11.9
Lumber and wood products	8.1	11.5	11.5	11.0	9.4	14.1	15.2	10.2	11.2	13.9	11.9
Petroleum production and refining	11.5	11.5	11.9	12.6	12.8	13.1	11.9	11.0	11.2	10.8	11.8
Glass products	11.6	12.1	13.5	12.7	11.1	11.9	12.2	9.0	11.1	12.5	11.7
Farm, construction equipment	9.4	13.7	14.4	14.7	10.9	8.4	10.4	9.3	8.8	12.1	11.1
Aerospace	11.7	13.1	15.4	15.7	13.4	13.9	11.4	6.7	6.3	8.8	11.0
Rubber and allied products	9.9	11.4	11.8	12.8	10.8	12.7	11.1	7.6	9.8	11.7	10.9
Nonferrous metals	7.1	9.2	11.8	15.7	11.4	11.1	12.5	10.6	5.0	7.2	10.0
Distilling	7.9	8.5	9.6	10.4	10.5	10.2	10.4	10.1	10.3	10.7	9.9
Building, heating and plumbing equipment	6.4	8.9	10.6	12.0	11.3	11.3	8.5	7.0	8.4	11.6	9.6
Paper and allied products	9.2	10.5	10.5	11.8	9.5	10.7	10.3	7.4	5.6	8.7	9.2
Textile products	7.1	8.9	11.6	12.3	8.8	9.8	8.8	6.4	6.6	7.8	8.7
Iron and steel	7.3	9.0	9.6	9.4	7.4	8.5	7.4	4.6	4.6	6.2	7.3
Total mining	9.1	10.4	12.1	13.9	16.2	15.0	12.6	11.7	8.5	9.6	11.7
Total manufacturing	11.6	12.6	13.9	14.2	12.6	13.3	12.4	10.1	10.8	12.1	12.2

[1] Preliminary.

Source: First National City Bank, Monthly Letter, April of each year. May 1973.

PROFITS

	Petroleum			Total manufacture		
	Actual	Number of companies	Percent change	Number of companies	Actual	Percent change
1963	3,920	115	+14	2,280	16,261	+10.0
1964	4,239	122	+7	2,328	18,774	+15.0
1965	4,638	109	+10	2,298	21,753	+17.0
1966	5,175	106	+12	2,279	24,074	+9.0
1967	5,696	107	+10	2,292	23,307	−5.0
1968	6,128	99	+8	2,250	26,067	+11.0
1969	6,087	91	0	2,068	26,650	+2.0
1970	5,892	97	−2	2,127	23,413	−12.0
1971	6,419	96	+8	2,319	26,971	+13.0
1972	6,525	108	+2	2,414	31,959	+19.0
Total increase			+66.5			+96.5

TABLE II

	After-tax profits (million dollars)		Return on stockholders' equity (percent)	
	Petroleum refining	All manufacturing	Petroleum refining	All manufacturing
1971:				
III	1,508	7,538	10.6	9.3
IV	1,407	7,980	9.8	9.8
1972:				
I	1,287	7,934	8.8	9.5
II	1,095	9,633	7.4	11.3
Total	5,297	33,085	9.2	10.0
1972:				
III	1,296	8,776	8.7	10.1
IV	1,478	10,125	9.8	11.5
1973:				
I	1,406	10,506	9.2	11.6
II	1,671	12,972	10.7	14.0
Total	5,851	42,379	9.6	11.8
Percentage change:				
1971/III–1972/III			−14.1	+16.4
1971/IV–1972/IV			+5.0	+26.9
1972/I–1973/I			+9.2	+32.4
1972/II–1973/II			+52.6	+34.7
1971–72 to 1972–73			10.5	+28.1

DEREGULATION OF NATURAL GAS

I addressed this Chamber in yesterday's session on the need to resolve the present energy shortages in the most immediate way—by an increase in production and supplies stemming therefrom.

Instead of strangling the market economy and the consumer—the little guy—with new Federal programs, regulations, agencies, czars, and bureaucracy, and instead of requiring a mandatory allocation or rationing system or excessive surtaxes, why not increase production?

The answer is increasing supplies, not trying to force our citizens to live with inadequate supplies.

Rationing may treat everyone and every industry on an equitable basis, but that is of little good when the diminished quantities of supplies available, no matter how equitably distributed, are so inadequate that they result in massive shutdowns of industries, layoffs of employees, and, in summary, a crippling of the economy of such proportions that a major recession or even depression is unavoidable. Is this what we want to be held accountable for—that the Congress so misjudged the nature of the energy problem that it felt it more appropriate to try to live with inadequate resources than to produce more adequate supplies?

Natural gas is not the only answer, but it is a very major one.

The Washington Post has editorialized on this, as follows:

> The solution is to deregulate the price of natural gas at the well. No one can forecast accurately how high the price might go if the regulation were lifted. Most specialists guess that it would go up to a level somewhere between twice and three times its present price—which is to say, between 40 and 60 cents a thousand cubic feet. Adding the cost of transporting that gas to Washington, the price would still be less than a dollar. It would still be one-third less than that imported from Canada or Algeria.

We need the increased production that only deregulation will bring about. I am interested in the consumers of my district who need more gas and oil. And who do not want to rely on the Arabs.

Mr. FRENZEL. Mr. Chairman, the windfall profit section (117) of this bill is dreadful. As one Member has just stated, it has the wrong definition of windfall profit, the wrong administrator, and the wrong process.

Under the bill's language, there can be no incentive to produce and sell more energy. We desperately need more energy. We should prevent excess profits, but if we deny reasonable profit, as I think this bill does, we will also deny ourselves greater supplies of energy. Who will search out and produce new energy if his investment and risk will deliver an unsatisfactory return? But, just as the bill is an overreaction, so the Broyhill amendment may be underreaction.

It does not stand in the place of an excess profits tax. It does not because it cannot. That legislation must come from the committee to which we have given jurisdiction over taxes. But the amendment has a saving grace. It obligates the President to bring legislation to us in 60 days on excess profits, and on reinvestment of profits to increase the energy supply. This mandate has already been answered by the statement of the distinguished minority leader that the President would send up excess profits legislation after the state of the Union message.

It is hard to explain to constituents a vote against a stronger "windfall profit" section, but I suspect it may be harder to explain if the shortages are worse than they need be. Catch phrases do not make good legislation. I shall vote for the Broyhill amendment because the language of this bill is impossible.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

(By unanimous consent, Mr. YATES was allowed to yield his time to Mr. ECKHARDT.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I feel the discussion here has more muddied than clarified the meaning of this section. Of course, this section has absolutely nothing to do with taxation; it has to do with profits, yes, but the only time that the Committee on Ways and Means has jurisdiction concerning profits is when it is dealing with such matters as an excess profits tax.

All of our committees deal with profits. For instance, the Committee on Merchant Marine and Fisheries deals with profits with respect to shipbuilding subsidies; the Committee on Banking and Currency deals with profits with respect to interest.

This is merely a provision that the Federal energy Administrator shall establish provisions preventing windfall profits. Then the Renegotiation Board, if it finds that windfall profits come about anyway, has the authority with respect to particular sellers of crude to make them divest themselves of those profits by simply paying back to those who are overcharged the excess by which they were charged.

There is nothing in this act that could impliedly give the President authority to tax. As a matter of fact, the President cannot even administer the establishment of prices, in the first place, as the bill is presently drawn; this is within the Federal Energy Administration. There is no implication of taxing power. The bill is very carefully drawn to provide administrative process and judicial review respecting exercise of agency powers.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, as a member of the Committee on Ways and Means I have looked at the language in the legislation, and I do not see any taxing power either direct or implied. I want to say that I oppose the language of the proposed amendment because all I can see is that the American consumer is going to have to pay about $15 billion more for energy, and I do not see anything substantial coming into the Treasury. I think if we receive $2 billion from this industry it will be a great achievement, and that $13 billion to $17 billion looks as though it is going to end up in someone's pocket. I think that something ought to be done to direct attention to the excess profit that is taking dollars out of the diet of every American family in this country.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, the chance to make a reasonable profit is what makes production, which in turn ends the shortage, and brings down the price. These are perfectly plain economic facts. I do not want to characterize any arguments to the contrary as demagogic because that would be unkind as well as unparliamentary. But I think the people whom I represent are plenty smart enough to understand these facts, whether we here are or not.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, this is a simple process whereby reasonable profits will be determined as compared to a base period no oil company has to worry about excess profits, if they put their money into exploration, spend their money on expenses, and charge a fair price. Fair profits thus can be protected. Part of the principle of this section is to see that they make a real effort at exploration, because although we have had the so-called incentive of the depletion allowance for many years, and yet we have a shortage. In the past few months we have seen the oil industry still advertising that there should be more consumption. We have seen them oppose oil imports into the United States to protect their system. All we are trying to do in this proposal is to say to the oil companies put your money into exploration, and you will not have any excess profits that anybody can take back from you under the Renegotiation Board, and you will be in the position where you will be increasing the Nation's oil supply.

There was mention earlier of why some of us are complaining about the supply situation, well we have not been able to force the oil companies to tell us what the country's oil reserves are. We have demanded it, and we have not received it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Chairman, I sense that every member of this committee wants to do something about what they call windfall profits, or excess profits, or profits that are too high. I submit to the Members that the way to do it is to vote for my amendment. It is not going to be done with the language which is in this bill because the language which is in the bill is completely unworkable. It is an administrative monstrosity. It sets up conflicts

that the courts will never be able to unravel. My amendment says that the President shall exercise the authority not only under this act, but under the Economic Stabilization Act, so as to promise no more than a reasonable profit.

It also calls upon the President to submit recommendations. We can in this House provide for excess profits taxes, if this is what this body wants to do, to provide for incentives, or to provide for a provision that the oil companies put their depletion alowances into further exploration, or whatever they want to do. This is the way to approach this problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I think the subject has been well debated on each side, and I think most Members have made up their minds.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 213, answered "present" 1, not voting 30, as follows:

[Roll No. 664]

AYES—188

Abdnor	Devine	Kuykendall
Anderson, Ill.	Dickinson	Landrum
Andrews, N. Dak.	Dorn	Lent
	Downing	Long, La.
Archer	Duncan	Lott
Arends	Edwards, Ala.	McClory
Armstrong	Esch	McCollister
Ashbrook	Eshleman	McEwen
Baker	Findley	McSpadden
Bauman	Fisher	Madigan
Beard	Flood	Mahon
Blackburn	Flynt	Mailliard
Boggs	Forsythe	Mallary
Bray	Frelinghuysen	Martin, Nebr.
Breaux	Frenzel	Martin, N.C.
Brinkley	Frey	Mathias, Calif.
Brooks	Fuqua	Mathis, Ga.
Brotzman	Gettys	Mayne
Brown, Mich.	Goldwater	Michel
Brown, Ohio	Goodling	Milford
Broyhill, N.C.	Green, Oreg.	Minshall, Ohio
Broyhill, Va.	Griffiths	Mizell
Burgener	Gross	Montgomery
Burleson, Tex.	Grover	Moorhead, Calif.
Butler	Haley	
Carter	Hammer-schmidt	Myers
Casey, Tex.		Nelsen
Cederberg	Hansen, Idaho	O'Brien
Chamberlain	Harvey	Parris
Clancy	Hastings	Perkins
Clausen, Don H.	Hébert	Pettis
	Hinshaw	Pickle
Clawson, Del	Hogan	Poage
Cleveland	Holt	Powell, Ohio
Cochran	Horton	Price, Tex.
Collins, Tex.	Hosmer	Quie
Conable	Huber	Quillen
Conlan	Hudnut	Rarick
Coughlin	Hutchinson	Regula
Crane	Ichord	Rhodes
Daniel, Dan	Jarman	Roberts
Daniel, Robert W., Jr.	Johnson, Colo.	Robinson, Va.
	Johnson, Pa.	Robison, N.Y.
Davis, Ga.	Jones, Okla.	Rousselot
Davis, Wis.	Kazen	Ruppe
de la Garza	Keating	Ruth
Denholm	Kemp	Ryan
Dennis	Ketchum	Satterfield
Derwinski	King	Scherle
Schneebeli	Steiger, Ariz.	Whitehurst
Sebelius	Stephens	Wiggins
Shipley	Symms	Williams
Shoup	Talcott	Wilson, Bob
Shriver	Teague, Calif.	Wilson, Charles, Tex.
Shuster	Teague, Tex.	
Sikes	Thomson, Wis.	Winn
Sisk	Towell, Nev.	Wright
Skubitz	Treen	Wylie
Smith, N.Y.	Ullman	Wyman
Snyder	Vander Jagt	Young, Alaska
Spence	Veysey	Young, Ill.
Stanton, J. William	Waggonner	Young, S.C.
	Wampler	Young, Tex.
Steed	Ware	Zion
Steelman	White	Zwach

NOES—213

Abzug	Ginn	Nix
Adams	Gonzalez	Obey
Alexander	Grasso	O'Hara
Anderson, Calif.	Gray	O'Neill
	Green, Pa.	Owens
Andrews, N.C.	Gude	Passman
Annunzio	Gunter	Patman
Ashley	Guyer	Patten
Aspin	Hamilton	Pepper
Badillo	Hanley	Peyser
Bafalis	Hanna	Pike
Barrett	Hanrahan	Preyer
Bennett	Hansen, Wash.	Price, Ill.
Bergland	Harrington	Pritchard
Bevill	Harsha	Railsback
Biaggi	Hawkins	Randall
Biester	Hays	Rangel
Bingham	Hechler, W. Va.	Rees
Blatnik	Heckler, Mass.	Reid
Boland	Heinz	Reuss
Bowen	Henderson	Riegle
Brademas	Hicks	Rinaldo
Brasco	Hillis	Rodino
Breckinridge	Holtzman	Roe
Broomfield	Howard	Rogers
Brown, Calif.	Hungate	Roncalio, Wyo.
Buchanan	Jones, Ala.	Roncallo, N.Y.
Burke, Fla.	Jones, N.C.	Rose
Burke, Mass.	Jones, Tenn.	Rosenthal
Burlison, Mo.	Jordan	Rostenkowski
Burton	Karth	Roush
Byron	Kastenmeier	Roy
Carney, Ohio	Kluczynski	Roybal
Chappell	Koch	St Germain
Cohen	Kyros	Sarasin
Collins, Ill.	Latta	Sarbanes
Conte	Leggett	Schroeder
Conyers	Lehman	Seiberling
Corman	Litton	Slack
Cotter	Long, Md.	Smith, Iowa
Cronin	Lujan	Staggers
Culver	McCloskey	Stanton, James V.
Daniels, Dominick V.	McCormack	
	McDade	Stark
Danielson	McFall	Steele
Delaney	McKay	Steiger, Wis.
Dellenback	McKinney	Stratton
Dellums	Macdonald	Stubblefield
Diggs	Madden	Stuckey
Dingell	Mann	Studds
Donohue	Maraziti	Sullivan
Drinan	Matsunaga	Symington
Dulski	Mazzoli	Taylor, N.C.
du Pont	Meeds	Thone
Eckhardt	Melcher	Thornton
Edwards, Calif.	Metcalfe	Tiernan
Eilberg	Mezvinsky	Udall
Evans, Colo.	Miller	Van Deerlin
Evins, Tenn.	Minish	Vanik
Fascell	Mink	Vigorito
Fish	Mitchell, Md.	Waldie
Flowers	Mitchell, N.Y.	Whalen
Foley	Moakley	Whitten
Ford, William D.	Mollohan	Widnall
	Moorhead, Pa.	Wilson, Charles H., Calif.
Fountain	Morgan	
Fraser	Mosher	
Froehlich	Moss	Wolff
Fulton	Murphy, Ill.	Yates
Gaydos	Murphy, N.Y.	Yatron
Giaimo	Natcher	Young, Fla.
Gibbons	Nedzi	Young, Ga.
Gilman	Nichols	Zablocki

ANSWERED "PRESENT"—1

Rooney, Pa.

NOT VOTING—30

Addabbo	Davis, S.C.	Podell
Bell	Dent	Rooney, N.Y.
Boiling	Erlenborn	Runnels
Burke, Calif.	Gubser	Sandman
Camp	Helstoski	Stokes
Carey, N.Y.	Holifield	Taylor, Mo.
Chisholm	Hunt	Thompson, N.J.
Clark	Johnson, Calif.	Walsh
Clay	Landgrebe	Wyatt
Collier	Mills, Ark.	Wydler

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MOSS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. MOSS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. Moss to the amendment in the nature of a substitute offered by Mr. STAGGERS: Page 29, line 12, strike the period and add: "*Provided further*, That, with respect to allocations of petroleum products applicable to the foreign trade and commerce of the United States, no foreign corporation or entity shall receive more favorable treatment in the allocation of petroleum products than that which is accorded by its home country to United States citizens engaged in the same line of commerce, and allocations shall contain provisions designed to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in foreign commerce."

Mr. MOSS. Mr. Chairman, this amendment, I believe, is noncontroversial. It has been discussed by both the chairman and the ranking minority member of the committee.

It is designed to insure truly reciprocal treatment in allocations between U.S. citizens engaged in commerce and foreign citizens engaged in like commerce in their respective ports.

For example, with an airline arriving, we will say, in Japan and being accorded fueling privileges there, we would extend the same privileges to the Japanese. Being denied those reciprocal privileges, we would not so extend them to the other country.

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

Mr. MOSS. I yield to the chairman of the committee for his comments.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman for yielding.

I would like to say that I agree with the gentleman's amendment. It certainly complements and would be consistent with the Emergency Petroleum Allocation Act which we passed and which was signed by the President last week.

Mr. Chairman, I am in favor of the amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from North Carolina on this amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, we have discussed the amendment in some detail, and, of course, we have seen a number of reports where there have been those who are American citizens who have been unable to fuel up in foreign countries, and it seems to me there should be some reciprocal arrangements here, and that is all we are calling for.

Mr. MOSS. Mr. Chairman, I thank the gentleman.

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

Mr. MOSS. I yield to my colleague, the gentleman from California, who is the author of the original amendment from which this amendment was written.

Mr. GOLDWATER. Mr. Chairman, I thank the gentleman for yielding.

I also support the amendment. I think it does take care of a very critical problem.

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

Mr. MOSS. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. Mr. Chairman, I wish to commend the gentleman.

This has become quite a serious thing, that our carriers have not been able to get properly fueled overseas. I think we are going to have to take this kind of a realistic approach.

Mr. Chairman, I support the amendment.

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

Mr. MOSS. I yield briefly to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, this would also have the purpose of assuring that any congressional junketeers in the recess ahead would be able to get out and get home, might it not?

Mr. MOSS. That might be one of the unimportant consequences.

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

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

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

I rise to ask the gentleman a question which might very well apply to the amendment on this Energy Emergency Act, H.R. 11450.

Is it the Committee's view that this section should be carried out in full consultation with the Department of State to insure that foreign policy considerations are taken into account not only in the cases of Canada and Mexico but also with respect to other countries?

Is it also the Committee's intention that controls on coal exports be fully coordinated with all other agencies having authority for our overall export control program?

Mr. MOSS. Mr. Chairman, since this inquiry goes beyond the scope of my immediate amendment, I yield to the Chairman of the full Committee, the gentleman from West Virginia (Mr. STAGGERS) for a response.

Mr. STAGGERS. Mr. Chairman, in response to the inquiry of the gentleman from Florida, I would like to say that the Committee does not wish to diminish the existing authority of other agencies charged with responsibility for the coordination of either our foreign policy generally or any aspect of our foreign economic policy. All actions of the Federal Energy Administration should be closely coordinated with existing agencies and this is especially true in the area of foreign policy.

Mr. FASCELL. Mr. Chairman, I thank the gentleman.

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

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

Mr. VANIK. Mr. Chairman, I would like to ask a question of the distinguished chairman of the committee.

I have received a call from a gasoline station operator in my district, and he says that under his contract with his distributor he is ordered to stay open 72 hours a week.

Now, my question is: Would the distinguished chairman of the committee consider this as an unreasonable requirement, in view of the State or Federal laws which may reduce the hours of operation?

Mr. MOSS. I believe that this is not encompassed in any manner in the amendment now pending. I hope the gentleman from Ohio would seek time at an appropriate point in the bill to direct that question to the chairman.

Mr. Chairman, I ask that the amendment be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Moss) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. NELSEN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. NELSEN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. NELSEN to the amendment in the nature of a substitute offered by Mr. STAGGERS: Page 7, line 21, strike out the first period and the quotation marks.

Page 7, insert after line 21 the following:

"(k) If any provision of the regulation under subsection (a) provides that any allocation of residual fuel oil or refined petroleum products is to be based on use of such a product or amounts of such product supplied during a historical period, the regulation shall contain provisions designed to assure that the historical period can be adjusted (or other adjustments in allocations can be made) in order to reflect regional disparities in use, or unusual factors influencing use, of the product in the historical period. This subsection shall take effect 30 days after the date of enactment of the Energy Emergency Act."

Mr. NELSEN. Mr. Chairman, this body will recall that yesterday I offered an amendment that would try to strike the provisions presently used of using the year 1972 as a basis on which to allocate fuel.

Under this substitute, my amendment, which has been redrafted by the staff, uses a historical period and it has been drafted with the idea of giving more fair treatment which may not prevail under present regulations in allocation of fuel to consumers.

I believe this amendment is totally noncontroversial. I have cleared it with the chairman, as I should have done yesterday, and with the staff people. It has been cleared on this side and on the majority side as well, and I hope it will be adopted.

Mr. KAZEN. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. KAZEN. It is real fine and well for the chairman and the members of the committee to know what is in the amendment, but what about the rest of us? Will the gentleman please explain to us what this amendment does?

Mr. NELSEN. Under the present system of allocation of fuel—I used an example yesterday of a school being built in 1973 which had no history of fuel allocation under the present regulation in which 1972 is the year in which they presently make an allocation. Yesterday I tried to move it up to 1973 and found there were those who felt that 1973 might be unfair to somebody else. I went to the staff who have come up with the language: "in order to reflect regional disparities in use, or unusual factors influencing use, of the product in the historical period." They set it up so that there is a sort of historical period and they give some flexibility in allocation. I think it would be more fair to more people than the present law.

Mr. KAZEN. Is that historical period a period of a month or a year or a quarter or what?

Mr. NELSEN. The historical period is a period, it is not a specific day or a month, but a period, and this would, of course, give administrative authority for the allocation of fuel.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, yesterday the gentleman gave his example as to why the gentleman had offered the amendment. I would tell the gentleman this: that on the basis of a month, the same amount given this month as was used last year in the same month is very unfair as far as my people are concerned, because my farmers had a very wet November, and they did not use the gasoline last year. This year they were able to use it, but since they did not use it last year during that month they were going to be denied it this year. So, as far as my people are concerned, the year period would work a lot better than a month period.

Mr. NELSEN. I would say to the gentleman from Texas that I would agree with his observation, but under the present system of allocation that is being used the problem the gentleman cites is not met. Under the amendment I have now drafted the historical period, and the flexibility it gives in the administration by the authorities in charge, could accommodate the problem the gentleman cites, and the one that I am trying to cure. I am sure we are in agreement.

Mr. KAZEN. I believe we are. The only question in my mind is the difficulty of defining the historical period because these fellows downtown can come up with the darndest answers, and their solutions may not be what this Congress intends for them to be.

Mr. NELSEN. I would say to the gentleman from Texas that this comes much closer to his objectives than the present regulations provide, and as they are administered, it gives the flexibility, and certainly the directive of the Congress, are indicated in this amendment. It does give congressional intent which would propel them to attend to the problems the gentleman from Texas cites, and I am aware of.

Mr. KAZEN. Let me ask the gentleman from Minnesota a question.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, let me ask the gentleman from Minnesota a question.

Under the bill as it is now written, the substitute that is before us, my understanding is that the base period is 1 year; is that correct?

Mr. NELSEN. Not in the bill. The present law as presently administered, is now established to be the year 1972. It also provides that you go back to the same calendar month to the year 1972 that you are presently asking for this allocation, and in many cases 1 single month presents to the individual whom one is concerned about a very serious situation.

What this amendment will do is to provide that the historical period can be adjusted so other adjustments in allocation can be made so that there is some flexibility. So I hope the people that the gentleman from Texas is concerned about, as well as mine, will be covered.

Mr. KAZEN. I thank the gentleman from Minnesota.

Mr. Chairman, my impression was that under the provisions of the bill, that the gentleman from Minnesota is trying to amend, that there was a base of 1 year, but apparently it is silent on that point. Is that correct?

Mr. NELSEN. If the gentleman will yield, the gentleman is correct. And under the illustration cited before under the amendment this will make them give more attention to the problem the gentleman from Texas cited through the amendment we are now offering to the bill.

Mr. KAZEN. Mr. Chairman, I would ask the gentleman from Minnesota what the effect of the gentleman's amendment is going to be upon the regulations that were just announced yesterday as far as priorities are concerned, and the fact that the first three or four categories will have all the fuel they need, but the people at the bottom will have less fuel? What effect does the gentleman think his amendment will have on that?

Mr. NELSEN. I do not think it will have any effect on that at all. This deals with only what I cited to the gentleman. And I will say to the gentleman that I am as concerned as the gentleman is, and I hope and pray that these adjustments will have the result of doing what the gentleman from Texas wants, and what I want.

Mr. KAZEN. I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of California. Mr. Chairman, I have generally the same problem in my district in California, as apparently the gentleman does, or a comparable problem in that we have some warm winters and some cold winters, and we sometimes have to use orchard heaters. And it is likely that they would have to base the amount of fuel they need for their orchard heaters in December 1973, compared to what they have gotten in 1972. I hope we are making legislative history here. It is the intention of Congress that the period be extended, if possible, to a full year or even more so that equity will be really attained.

Mr. KAZEN. I thank the gentleman for his contribution.

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

Mr. KAZEN. I yield to the gentleman from Missouri.

Mr. RANDALL. I thank the gentleman for yielding. We understood that there was going to be some amendment for agriculture and particularly diesel fuel. In this debate the last few days we cannot get the word "agriculture" in edgeways. The gentleman speaks about the historical period. Can we not be specific and say it is going to be December of this year as against December of last year. Are we talking about anything like that?

Mr. KAZEN. I think that what the gentleman is saying is right, but I do not believe that he wants to stick to the same amount for this year in a particular month, as he used in that month last year.

Mr. RANDALL. I thought that was the purpose of the gentleman's amendment.

Mr. KAZEN. No. The purpose, as I understand it, and I think that in the colloquy we made it clear, that it was not to be a month but for a historic period which could be as much as a year, as I understand, or maybe a little more than a year, or a season.

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

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

Mr. NELSEN. I thank the gentleman for yielding.

Under the present allocation, they are using the year 1972 as the authority provided in the Allocation Act. What they have been doing is if one applies for fuel, we will say, in October, they then go back to the month of October in 1972 to determine what his allocation will be, and this has resulted in unfair treatment of many people who might not fit into that kind of a category. So yesterday I tried to move it to 1973, feeling it would be fairer, but that I find even would be unfair to some, so this will provide that they can use a historical period, not a day or two days or a month or a week, but a period to make the determination and then allocate the fuel.

Mr. KAZEN. It would be possible to go back to that same month, because that would be a period.

Mr. CONTE. Mr. Chairman, I am particularly distressed that the House has passed, by voice vote, the Nelsen amendment concerning base period allocations. This amendment, if enacted into law, will be another cruel blow for the New England heating oil consumer.

The effect of this amendment will be to destroy the independent sector of the oil industry in the Northeast. This amendment is a sell-out to the big oil barons.

This amendment was considered and rejected in the committee. It was offered and withdrawn yesterday.

Presently, the allocation regulations provide that deliveries should be made based on what was sold and delivered in 1972. That was the last year that independents received deliveries from the majors that were anywhere near adequate.

Beginning in the first quarter of 1973, the major oil companies started cutting back on their fuel deliveries to independent marketers. As the year progressed, the deliveries steadily dwindled.

By moving the allocation period into 1973, as the Nelsen amendment provides, independents will be steadily squeezed until many of them will disappear.

The ultimate losers will be the consumers of New England and the Northeast who depend on independent dealers. In my region, 40 percent of the total supply of heating oil is provided through independent wholesalers. If they can find a new supplier, they will find prices steeply higher and service lower.

With this amendment, I do not believe that I will be able to support this bill. I am asking my colleagues to defeat the Nelsen amendment when the House reconvenes as the Committee of the Whole House and has the opportunity to review amendments that were adopted earlier.

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

Mr. Chairman, I take this time to respectfully differ with Congressman KAZEN's interpretation of the regulations announced yesterday. My good friend, the gentleman from Texas, stated that under the regulations announced yesterday, the top categories, including agriculture, would be getting all of the fuel that they need.

If I could have the attention of my good friend, the gentleman from Texas, I do not agree that under the regulations announced yesterday agriculture will have all the fuel that it needs. It will get 110 percent of the fuel consumed during the 2-months period from November 1972, to November 1973. I think that in view of the greatly increased demands on agriculture for more acres, for example, 19 million more feed grain base acres being put into production, much greater productivity being asked for, I seriously doubt whether this additional 10 percent over last year is going to be sufficient to meet the needs of agriculture, so I would suggest to the gentleman that it is inaccurate to say agriculture has no problem and that the top categories are going to get all they need. I think it is very doubtful whether agriculture will.

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

Mr. MAYNE. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman.

Let us make sure that we understand. This was my understanding from reading the reports in the press and on the radio, and reading the report itself. It was my understanding that those categories would have the amount of fuel that they actually need. Am I wrong in that interpretation?

Mr. MAYNE. I believe that is an erroneous interpretation. I note that the very distinguished chairman of the House Committee on Agriculture, the gentleman from Texas (Mr. POAGE) is in the Chamber. He had Mr. William Simon, the new energy czar, meet with our committee the night before last just before the new regulations were announced. According to Mr. Simon, there will be a base period of from November 1972 to November 1973 and everyone directly in agriculture plus all those in

agricultural processing and in transportation of agricultural products will be able to count on 110 percent of the fuel they consumed during that 1-year base period. But I fear that is just going to be barely enough for farmers in much of the country and not enough in many areas of the country.

Mr. KAZEN. Mr. Chairman, if the gentleman will yield further, it is my understanding what I was speaking about now was they could have all the gasoline they would need but not as far as diesel was concerned.

Mr. MAYNE. Chairman POAGE put that question directly to Mr. Simon and he replied that the 110-percent allocation will apply to all types of fuel; propane, gasoline, and diesel oil, and everything else in the entire range of fuel. He gave that unequivocal assurance to the Agriculture Committee the night before last.

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

Mr. MAYNE. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Chairman, I had a brief discussion of the question with the chairman of the Committee on Agriculture and he related to me that Mr. Simon, the energy czar said yesterday agriculture would be alloted 110 percent diesel fuel but over the base period from November of 1972 to November 1973. I think the gentleman's discussion is very important. Maybe we need a strong amendment to nail down adequate fuel for our farmers and related agricultural needs.

Mr. MAYNE. Mr. Chairman, I think the distinguished gentleman from Texas (Chairman POAGE) would agree with me that Mr. Simon did assure us that it was to apply to all types of fuel for agriculture and not just one. I see that the chairman of the Committee on Agriculture is concurring with me on that.

Mr. STAGGERS. Mr. Chairman, I rise in support of the amendment.

I would like to say I agree with the author of the amendment that there are certain disparities in the land and certain unusual factors which need to be taken into consideration. I think it is a good amendment and I agree with it.

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

Mr. Chairman, Members may recall that yesterday I told the House I intended to offer an amendment to the mandatory allocation section of this bill. This section, section 103, was an amendment to clarify the intent of the mandatory allocation bill that we passed last month. Recent events in trying to meet the needs of farmers for diesel fuel demonstrate clearly to me that my amendment must be spelled out in law.

My proposed amendment states that when the President issues an order to implement the allocation of petroleum products to priority users that any supplier of petroleum products who refuses to obey such an order or the intent of such an order will be subject to the civil fines set out in section 111(b) of the Emergency Energy Act.

My amendment has a major purpose in making it clear to the oil companies that when the administrators of the mandatory allocation program tell the suppliers to release needed diesel fuel to farmers that those suppliers are to follow those orders or to face penalties.

Many might ask why this is needed? Mr. Chairman, I could take quite some time in documenting the frustrations of farmers in my district and many others across the Nation in trying to get diesel fuel to harvest their crops and to work their fields. If it was demonstrated that the suppliers did not have the diesel fuel, neither I nor anyone else could complain. It has been indicated, however, Mr. Chairman, and stated to me by local suppliers, that they have the diesel fuel on hand to meet agriculture needs beyond the 1972 allocations, but that they have been instructed by officials of the major oil companies not to release the diesel.

The reason that the agricultural community in my district and throughout the Southwest and the South need more diesel for the winter months of 1973 and 1974 is quite simple.

In the winter of 1972 and 1973 this area of the Nation had very heavy rains. The heavy rains precluded the farmers from using their normal amount of diesel fuel for their tractors and other farm machinery. This year the heavy rains have not come, but despite the fact that the farmers need more diesel and despite the fact that the diesel is available in most instances, the suppliers will not release diesel to farmers beyond the 1972 use.

Normally, this is where the needed flexibility of the administrators of the mandatory program would come into play. This has happened: On November 9 I issued a press release from my office stating that:

> The "Federal allocation authorities are advising Texas petroleum suppliers to temporarily meet farm diesel needs without fear of violating 1972 allocation base periods.

I continued to say:

> The allocation program has not been suspended, but officials realize farmers must harvest their crops.

Mr. Chairman, this release was the result of a personal visit I had with top officials of the Office of Oil and Gas who visited with me in my office.

On November 10 I had to issue another release stating:

> Though Federal officials have sent telegrams to many suppliers advising them to increase supplies to farmers who are now harvesting cotton and other crops, the oil companies have been hesitant to comply.

After the two press releases my office and offices of other Members of Congress continued to receive complaints from agricultural people in our districts stating that they still were not receiving needed diesel supplies, and I feel that for every one farmer who called his Congressman, there were probably four or five more who suffered in silence.

It was obvious that the oil companies, despite instructions from the officials running the mandatory allocation program, were ignoring the plight of the agricultural community. Because of the information I received from farmers in my district, I issued another release before Thanksgiving and in this release I expressed the suspicion and criticism growing about the oil companies' activities with regard to diesel fuel deliveries to farmers. I stated:

> Some major oil companies appear to be deliberately ignoring Federal permission to increase diesel fuel deliveries to Texas farmers.

I stated that oil companies' officials had declined to circulate information from the Federal Government among their Texas distributors stating that farm fuel needs could be temporarily met. I stated:

> The oil companies have known for days that they could release diesel fuel to farmers and this cat-and-mouse stalling could destroy crops or prevent normal planting.

In this release I stated that many farmers believed that the oil companies were stockpiling diesel for future needs or anticipating higher prices.

Mr. Chairman, on December 3, I wrote the new energy Administrator, William Simon, again spelling out the plight of the farmers and the growing suspicion as to the oil companies' motives. In that letter I pointed out that though the Office of Petroleum Allocation had issued three administrative orders authorizing more diesel fuel for farmers, the major oil companies had persistently refused to release the fuel. I noted that some individuals had been able to obtain needed diesel, but that this was on a case-by-case basis.

Mr. Chairman, the purpose of a mandatory allocation program during the time of shortage is to avoid the situation where some are able to obtain needed petroleum supplies while others are left at the mercy of the suppliers. Thus, we can take no comfort in the fact that case-by-case relief has occurred in some instances. This is inequitable.

These developments have led to suspicion among the rural people that the oil companies may be motivated by three things: one, they are hoarding the diesel in anticipation of higher prices; two, they are making selective deliveries; three, that they are diverting the diesel to their retail outlets where they can receive higher prices for the diesel, or perhaps all three factors are motivating the oil companies.

Mr. Chairman, we have embarked on an agricultural policy in this country to increase production. Our agricultural products are the most positive factor in our balance-of-payment situation. The fact that the agricultural community cannot get the fuel to run their machinery to work their fields and harvest their crops can only mean one thing—agricultural output will be down, our balance-of-payment situation will worsen, and the cost of food to the consumer will go even higher.

That is why, Mr. Chairman, this directive must be restated today: to make it clear that to meet the needs and priorities set out in the mandatory allocation bill, the oil companies must follow the orders of the administrators who administer the program under the direction of the President. We have provided penalties of $5,000 per criminal violation and $2,500 for civil violations. These penalties ought to be enforced.

Mr. STAGGERS. As the gentleman

has said, the Emergency Petroleum Allocation Act already contains civil and criminal penalties for violations of orders and regulations. He has cited those; they are $5,000 for criminal violations and $2,500 for civil penalties.

If these are not carried out, the Congress should see that they are enforced. If the gentleman reports any violations, we will put an investigating committee on them and see if they cannot be carried out.

Mr. PICKLE. Mr. Chairman, I thank the gentleman.

I notice that Mr. Simon yesterday issued another directive that these supplies should be delivered. We have had three previous ones. If these are not carried out under the law and supplies are not delivered, then I hope Congress or somebody brings suit to see that that is carried out.

Mr. STAGGERS. That is our intention.

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

Mr. PICKLE. If I have the time, I yield.

Mr. NELSEN. The problem the gentleman cited deals with the supplier bringing his product to a user. Mine deals with the penalties in the allocation and granting of allocation to a user, so we are talking about two different things. I certainly would agree that the point of the gentleman is well taken.

(By unanimous consent, Mr. PICKLE was allowed to proceed for 1 additional minute.)

Mr. PICKLE. Mr. Chairman, I understand that was your approach, but I thought now was the time to bring this matter up in view of the assurance I got from the chairman of the committee that this law is going to be enforced with the penalties. Therefore, I will not offer the amendment, but I thought since it was before us I ought to mention it at this time. I wanted to be sure that if the suppliers and the major oil companies have the fuel and if they are supposed to deliver it, they better let the farmers or dealers have it.

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

Mr. PICKLE. I yield to the gentleman.

Mr. KETCHUM. I appreciate the remarks of the gentleman in the well. Three times, on three different occasions, those things have happened in the State of California; however, counsel for the oil companies advised the oil companies not to reply until it was published in the Federal Register and it screwed up the allocation and it took 3 whole weeks to get it straightened out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. NELSEN) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MR. MOSS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. MOSS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. Moss to the amendment in the nature of a substitute offered by Mr. STAGGERS: Page 55, Line 12: After "parking surcharge," insert "management of parking supply, and preferential bus/carpool lane regulations".

Page 55, line 23, after "parking surcharge," insert "management of parking supply, and preferential bus/carpool lane."

Page 56, line 10, after "parking surcharge," insert "management of parking supply, or preferential bus/carpool lane."

Page 56, line 13, after "parking surcharge, insert "management of parking supply, and preferential bus/carpool lane."

Page 56, line 16, after "parking surcharges," insert "management of parking supply regulations, and preferential bus/carpool lanes."

Page 56, line 20, after "parking surcharge," insert "management of parking supply, or preferential bus/carpool lane."

Page 56, line 25, at the end of subsection (C) insert the following:

"The term 'management of parking supply' and the term 'preferential bus/carpool lane' shall include those general activities covered by but not limited to regulations numbered 52.251 and 52.261 through 52.264 as set forth in VOL. 38 of the Federal Register number 217."

Mr. MOSS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD at this point, and that I be permitted to explain it.

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

There was no objection.

Mr. MOSS. Mr. Chairman, this amendment is directed to the language on page 55 of the bill where we acted to postpone the effect of orders of the EPA which direct the imposition of parking surcharges. That occurs on line 23 of page 55 of the bill, and we insert, in addition, the language, "management of parking supply, and preferential bus/carpool lane regulations."

Mr. Chairman, we amend this, then, and conform throughout and correct it that the Administrator undertake a study, but before actual implementation the matter must come back to the Congress with the appropriate recommendations and the Congress will have to act affirmatively with affirmative legislative action before such regulations can become effective. In other words, it would be a matter of statutory law rather than regulation.

At the present time in California, and I know in Texas and in some of the New England States, they are under orders to start imposing parking surcharges, to start imposing a first space cost on supplemental and parking in major shopping centers. They are under an order to provide carpool lanes or bus lanes. In many parts of the country this is a totally impractical solution.

I think one of the best examples of the impractical nature of the proposal as a solution is in the Los Angeles metropolitan area, which is considerably removed from my congressional district, but where, for a variety of reasons, mainly because they have there one of the great megalopolis of this Nation built on and about the automobile. If every effort within the power of man were to be undertaken tomorrow to devise an effective mass transit system, there would be a lapse of several years. The full implementation of these order could create chaos.

The same is true in my own area in the valley areas of California, in the State of Texas and in the New England area. I think that bringing this matter back to the Congress with the appropriate recommendations and having it enacted as a matter of our responsibility and not to the Administrator is by far the preferential method of dealing with it.

We have not had a problem in our committee in responding to the legitimate requests of the Environmental Protection Agency, and I anticipate we would not in the future. I strongly urge the adoption of these amendments.

Mr. BROYHILL of North Carolina. Mr. Chairman, will the gentleman yield?

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

Mr. BROYHILL of North Carolina. Mr. Chairman, all this does is add the term "management of parking supply and preferential bus/car pool lane regulations," to the amendment which is already in the bill, and under the provisions of language in the bill a study is required and then affirmative action has to be taken by the Congress before these plans would go into effect.

Mr. MOSS. The gentleman is correct.

Mr. BROYHILL of North Carolina. And it is my understanding that this is where regulations have been proposed by EPA which are unworkable or are causing chaos particularly in the construction of buildings and residences or apartments or other complexes that require parking; is this correct?

Mr. MOSS. The gentleman is correct.

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

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

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman yielding.

Do I understand now that this amendment will correct many of the inequities that were caused by the issuance of regulations in August and October of this year by the EPA?

Mr. MOSS. That is the precise purpose of the amendment.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

Before these regulations can now be imposed nationwide by EPA, it will require an action of Congress; is that correct?

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(By unanimous consent, Mr. Moss was allowed to proceed for 2 additional minutes.)

Mr. MOSS. Mr. Chairman, we require two things: A careful study, and then, that the recommendations be made to the Congress, and that will require affirmative action by the Congress, in other words, a legislative decision.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

I know that both he and the gentleman from California (Mr. LEGGETT) have worked hard on these amendments.

The gentleman from North Carolina

(Mr. BROYHILL) has very graciously accepted the amendment. I think it is a good amendment because it returns important powers to Congress. I congratulate the gentleman.

Mr. MOSS. Mr. Chairman, I also wish to thank my colleagues on the Committee on Interstate and Foreign Commerce. The gentleman from California (Mr.. GOLDWATER), has also worked very diligently on these amendments.

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

Mr. Chairman, I have looked over the amendment. There is some disagreement on this side.

However, I would like to say that my people back home certainly do not want a super government imposed upon them by an agency that was created by this Congress. They do not want this agency coming and telling them what they must do and what they can do and what they cannot do.

I agree with this amendment and am willing to accept it.

Mr. ROGERS. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I, too, realize the situation that some of the communities with the most serious air pollution problems are facing.

Under the provisions of the Clean Air Act, certain requirements to clean up the air have had to be made. I think perhaps in some areas they have been excessive. I would agree with that.

We have tried in this bill to begin to balance the energy problem with the requirements for clean air.

Now, one of the things we have done in the bill to meet this immediate problem during consideration of this emergency legislation, to provide that EPA cannot place any surtax or any other charges on parking in any communities.

Now, I understand this is not completely satisfactory to some of those communities on the parking situation, for instance, communities which have been told that certain lanes should be used for people who ride four in a car or for use as a bus lane.

Now, this type of control has been done in Washington, not because of the air problem, but because of the energy problem.

To simply take away this authority where otherwise it would have an adverse effect on the quality of the air, I think, is a meatax approach, which in this emergency legislation I do not think is wise to do, if we think we still want to have effective clean air legislation.

There is just so much of clean air in the Nation. It is not like oil. You cannot drill it and begin to get it out quickly. It is a product you simply cannot completely replenish in every community.

Let me say that the gentleman from California (Mr. REES) is going to present an amendment which I think is reasonable and which will approach the problem on a fair basis. It just does not strip them of this parking authority. We have talked to officials of the Environmental Protection Agency, and we know EPA is going to present some recommendations the first of the year on this overall problem.

We ought to do this in a reasoned way rather than in this emergency legislation. We will have to make some adjustments. I understand that.

Mr. MOSS. Will the gentleman yield?

Mr. ROGERS. I will if you will let me finish my statement.

I do think we have met the immediate problem by doing away with the surcharge. I think we all still want to try to maintain the goal of clean air even though we may have to, in limited instances, modify the effective date of the primary standards. We might as well recognize the thing the amendment seeks to prohibit will be done, anyhow, because of the energy crisis.

The gentleman from California (Mr. REES) as I stated, will present an amendment that I believe is reasonable. It is not a complete taking away of authority from EPA, because there may be some areas where there should be some carpooling for the purpose of preventing air pollution. We have some pretty polluted areas in this country. So let us be realistic about it. Let us listen to the gentleman from California (Mr. REES) when his amendment comes up. I would urge that the Congress think very carefully before you jump into this emotional amendment.

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

I yield to the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, I must quite candidly express real surprise at my friend from Florida, because we have been having conversations and until this moment I did not know of the depth of his feeling of opposition.

Mr. ROGERS. If the gentleman will permit me——

Mr. MOSS. I asked the gentleman to yield, but he did not.

Mr. ROGERS. Since he mentioned my name.

Mr. MOSS. Let me finish my statement.

We are under an order to reduce vehicle motor miles traveled in the San Francisco area by 97 percent by 1977. We are under orders to do the impossible. We are under orders to impose surcharges of anywhere from 50 cents to $2 for a parking space. We are under orders to impose taxes on parking spaces being constructed.

Remember, there are parts of this Nation where there is no existing mass transit and where there is no alternative means of transportation. In some of the very highly complex freeway systems we have difficult situations occurring. Those of us who have driven them in the metropolitan areas of this Nation and particularly in southern California know of the extreme difficulty, if not the almost engineering nightmare that would be created in an effort to create car pool lanes or bus lanes exclusively. It is fairly easy here in the Nation's Capital where we have constructed a bridge paralleling the 14th Street bridge, which was done almost totally for the use of buses and car poolers and which was paid for by the people of the entire Nation. However, the rest of us are not so fortunate in having the Nation pick up the cost of these special features.

So what might be practical here is not practical in another area. All we are attempting to do is to have the practical proposals made and submitted to the objective scrutiny of the Congress, which ultimately has the responsibility anyway.

Mr. Chairman, I do thank my colleague, the gentleman from Virginia, for yielding to me.

Mr. SATTERFIELD. Mr. Chairman, I rise in support of this amendment.

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

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

Mr. ROUSSELOT. Mr. Chairman, I was quite surprised that the gentleman from Florida (Mr. ROGERS) was so willing to go along with some of these regulations that have been promulgated by the Environmental Protection Agency. For instance, if these regulations went into effect on July first next year, the zoo in Los Angeles, Calif., would have to charge a tremendous fee for parking where they now have free parking. I am sure the gentleman from Florida does not want to deny people the right to park at the zoo.

Mr. ROGERS. Will the gentleman yield?

Mr. ROUSSELOT. The gentleman did not get time to yield to me. I would like to continue my point, and then I will yield to the gentleman, because I know the gentleman is sensitive on his subject.

The regulations that were promulgated by EPA, and we all acknowledge that part of it was the result of a court action, but still in many parts of the United States they are almost impossible. So I think it would be unwise not to have the EPA come back to the Congress so that we can review these regulations before they so arbitrarily implement them.

I believe that the amendment offered by the gentleman who is on the committee, the gentleman from California (Mr. Moss) and who serves on the commitee with the gentleman from Florida, and who is aware of these regulations, I think the amendment is a very reasonable one. All it does is say that the Environmental Protection Agency must come back on these issues of a parking surcharge, preferential bus lanes, and parking supply, to the Congress. What is wrong with that?

Now I will yield to the gentleman from Florida.

The CHAIRMAN .The Chair will state that the gentleman from Virginia has control of the time.

Mr. SATTERFIELD. Mr. Chairman, I will yield to the gentleman from Florida if I still have time.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I might say that the tax that the gentleman is speaking about at the zoo is already prohibited, as the gentleman knows, in the bill.

Mr. ROUSSELOT. Only for 1 year.

Mr. ROGERS. No; it is handled permanently, because there could be no authority to impose a surcharge unless the Congress grants it. The gentleman is incorrect.

Also I would like to point out that I find that the EPA realizes that some changes are desirable, and it will submit a plan for California.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I yield to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I thank the gentleman from Michigan for yielding to me.

Mr. Chairman, the Environmental Protection Agency has said that they think it would be an absurdity to have this done in this approach, and that the whole question ought to be looked at. And they realize that—

Something must be done to alleviate massive social and economic disruption that would result if air quality standards were achieved by the statutory deadline in a few metropolitan areas. We anticipate forwarding our recommendations on this matter to the committee shortly after the first of the year.

I was quoting from a letter from Mr. Quarrels of the EPA.

I think Mr. REES' amendment, along with what is already done in the bill, would handle the immediate effect.

Mr. ROUSSELOT. Mr. Chairman, would the gentleman yield?

Mr. ROGERS. In just one moment, if the gentleman please.

Mr. Quarrels, who is the Assistant Administrator, has stated that EPA will come up with a proposal so that we can look at it in its entirety, and not just two or three shots here at a time.

Mr. DINGELL. Mr. Chairman, I will now yield briefly to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, what the gentleman from Florida has said about a letter of assurances, and all the other kinds of assurances from the EPA, would be fine if that is what had happened in the past. But if the gentleman will remember, there have been all kinds of hearings on this in New York and everywhere else. They have just come right on with all their "wonderful rules and regulations." My belief is we should make it absolutely certain that they must come back to Congress in these important areas.

I thank the gentleman for yielding.

Mr. DINGELL. Mr. Chairman, I yield to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, this amendment seeks to use the energy crisis as a possible variation of existing law. I want to talk about another variation of the law, if I may. I want to ask the chairman of this committee, the gentleman from West Virginia (Mr. STAGGERS), a question.

The city of Chicago faces the abandonment of airlines service to Midway Airport on January 4, allegedly attributable to the energy crisis. Several airlines have already indicated their intention to discontinue services as a result of which the airport will have to be closed.

Members of the Illinois congressional delegation conferred yesterday with the Chairman of the CAB to request his help in keeping Midway Airport open. The Chairman, Mr. Timm, took the position that the CAB had no authority to require the airlines to serve Midway Airport, that the airlines were satisfying their obligations under their certificates of convenience and necessity by rendering service only into O'Hare Airport. If that contention is valid, it will result in a drastic curtailment of transportation service to the city of Chicago, to Indiana, and to the State of Michigan.

Does not the chairman, the gentleman from West Virginia, agree with me that the proposed cuts in service are not contemplated by the present energy crisis, and should not the CAB be required to protect the public at this time?

Will the gentleman answer that question?

Mr. DINGELL. Mr. Chairman, I yield to the gentleman from West Virginia, the chairman of the committee.

Mr. STAGGERS. I agree with you. And I join you in serving notice on the air carriers and the Civil Aeronautics Board that the energy crisis is not to be used by the carriers, with sanction by the CAB, to make sweeping cuts in service such as the carriers have proposed for Midway. Sixteen flight deletions out of 16 does not sound right to me.

As you know, the CAB has specific authority, under section 404 of the Federal Aviation Act, to assure the provision of adequate service by the certificated carriers. Section 404 states very clearly that it is the duty of the carriers to "provide safe and adequate service, equipment, and facilities." Likewise, it is the duty of the CAB to see to it that the carriers live up to their responsibility for the provision of adequate service. Both of these duties—the carriers' and the CAB's—should be executed continuously and certainly should not be bogged down in long drawn out administrative and court proceedings.

In context with the emergency nature of the fuel shortage, it is high time for the CAB to move forward—to use some initiative—to exercise its statutory authority over a few weeks, rather than over several years. In a situation such as you have at Midway, they can and should use show cause orders or any other short procedures to meet the emergency nature of the carriers' actions.

I know that the CAB can act with full speed when they have enough motivation. They acted with impressive promptness over 10 years ago when, after the Imperial crash which took the lives of over 90 servicemen down near Richmond, we directed the CAB to clean up the exempt or irregular carriers—and they did. They screened out the unsafe and unfit carriers and gave certificates to the survivors. That was no long-drawn-out proceeding. Similarly, they can and should speed up their procedures on the adequacy question.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman from Michigan yield?

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

Mr. MURPHY of New York. I thank the gentleman for yielding. I might say to my friend, the gentleman from Illinois, that we have had Chairman Timm of the CAB up in an ad hoc meeting of the New York-New Jersey delegation protesting the cutback of flights between New York and Washington. We found that he was totally uncooperative. He did not understand that the law said adequate service must be maintained as well as safe service. This is now 4 months later. He has done nothing. We have had the FAA Administrator up. He has done nothing but make one speech at a lobbying meeting of the industry. The industry did not agree with him particularly in this area, and it is going to take the Congress to act to insure that adequate transportation is maintained on the Nation's routes, and that the energy crisis is not used as an excuse.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Moss and by unanimous consent, Mr. DINGELL was allowed to speak for 2 additional minutes.)

Mr. MURPHY of New York. I would say that the energy crisis should not be used for rail discontinuances, for discontinuances of airline flights between essential points, after this Government has authorized common carriage in these areas on the cases presented. We need those services.

Mr. DINGELL. Mr. Chairman, I yield to my good friend, the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, I just want to make this observation. It is well and good for the distinguished gentleman from Florida to stand here and tell us that we have assurance of studies and a report back sometime in the next several months, but in the meantime there is a crippling paralysis in construction. There is an uncertainty that makes it impossible to proceed with orderly planning projects which provide employment.

The effect of the pending order in my State is one of paralysis, and people should not be further burdened during a time of crisis by this path of uncertainty while we wait for an administrative agency to correct what they admitted are the excesses of their order which should not have been issued without more care in the first place.

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

Mr. DINGELL. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, with respect to the statement by the distinguished gentleman from New York, it is my contention, and I have had the agreement of the distinguished chairman of the committee, that the CAB currently, under present law, is required to make sure that adequate service is rendered between the cities of the country in accordance with the certificates of the carriers and they should do it without further action on the part of the Congress.

The fact that they are not doing it does not mean they do not have the authority to do it. It is our contention they have the authority and the responsibility to do it and the fact that they are not doing it means they are not living up to their responsibility.

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to associate myself with the remarks of the distin-

guished gentleman from California (Mr. Moss) who is the ranking member from our State on the Interstate and Foreign Commerce Committee.

I support his amendment to restrict the authority of the Environmental Protection Agency to regulate or place a tax or surcharge on parking spaces and areas without adequate input and coordination with the affected communities and parking management people.

I believe the gentleman's amendment is consistent with both the desires of my constituents who are directly affected by the EPA regulations as well as the concepts of traditional American governmental procedures.

The mixed up history of the promulgation of these regulations is a lesson in the need for responsibility of the Congress. In this instance, provisions were added to a House-passed bill by the Senate and were ultimately enacted into law without any debate or hearings by the House and without our being able to develop the kind of legislative history that could have prevented these unrealistic actions.

EPA promulgated clean air standards and then was required by a court order to promulgate rules to achieve the standards. The result was hard to describe in a nontechnical sense but it is either an unrealistic standard in the first place or an unrealistic timetable for achieving the initial standard.

In any event, while I have not the slightest quibble with the need for strict air pollution standards and have personally been intimately involved in the effort to make certain that California be allowed to have more stringent standards than the rest of the Nation, I am also reasonable enough to know that we need not pay the price of unacceptable economic and social dislocation to meet these vital goals

I believe every member of the California delegation is in basic agreement with these views because we are the ones who have lived most closely with the need to solve the air pollution problem. It has always been a team effort in the past just as it is today.

We have attempted to seek solutions to air quality problems on a broad front in a variety of legislative vehicles. The highway bill which was written by the Public Works Committee, of which I am a member, is a good example of that effort.

In that bill we included additional, earmarked funding for urban highways with preferential lanes for carpooling and buses and with segregated lanes for bicycling. Our goal was always to improve the quality of the air and the environment in coordinated, effective ways that would be economically and socially acceptable.

The Moss amendment will help direct EPA in that direction and will also give the Agency a period of time to meet with local governmental officials who, in my judgment, are the best qualified to advise EPA on the course of action it should follow in helping to clean up our air.

Once we have the input from the local people, officials, and political subdivisions affected, the Congress, working with EPA, will be in a much better position to advance reasonable, realistic, and attainable plans toward the realization of our clean air goals.

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

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

Mr. ADAMS. I yield to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I appreciate the gentleman yielding. The reason I wanted to address the Committee was to clarify what the law is today, what the Clean Air Act Amendments of 1970 did. What we did with these amendments when we passed them was to give the responsibility to the Environmental Protection Agency to develop air standards throughout the United States, air standards that were compatible with health. They did that.

We also directed this Agency, that is we in this Congress, that they would make the recommendations to local and State governments as to what these local and State governments would have to do to qualify under these standards by 1977. This is what the EPA was told to do by us. So it is not something they thought up.

All right now, in the case of Los Angeles, my own city, they have come up with a plan which they say will give us clean air by 1977. In the letter to the gentleman from Florida (Mr. ROGERS) and in a letter to me today they admit that it is impossible for us in Los Angeles to come up to these standards.

So what we have here are a series of measures. We have vapor recovery at gasoline stations which will reduce the pollutants by something like 17 percent. They provide for dry cleaning solvent controls which will result in another 0.9 percent. They talk about catalyst retrofit, a gimmick they put on the car, and already we are doing that, which results in 15 percent. They talk about motorcycle limitations. Then we get down to reductions promulgated for VMT—that is vehicle miles traveled—for control by 1977.

So what we are stuck with in southern California is that something like 60 percent of what we have been doing is directly tied in to the lowering of the vehicle miles traveled, which means that the way we are going with the strictest regulations in the country over both stationary and moving sources, that by 1977 the Los Angeles Basin would be closed down, that all the Agency could do under the law would be to say that they have to tell us that on any day where any of these standards of the three major chemical standards are violated, that not one moving vehicle can move in the Los Angeles Basin.

This is what we are faced with. The Agency realizes this and they said they will come up with recommendations. And at about 3 or 4 in the morning I will be up with an amendment which will get some of this underway.

What this does to the amendment offered by the gentleman from California (Mr. Moss) is to add to his amendment an amendment which prohibits parking surcharge. Mr. Moss further amends that by saying certain strategies for vehicle lanes for buses and carpools and such are prohibited until Congress can make a finding. But the problem is we are now telling the EPA they cannot use the strategies, and I agree with telling them this, but the only thing they can do now is to say that no automobiles can be driven during days when pollutants reach the top in the year 1977.

So as we can see, that while this amendment might be needed to stop the problem that we have temporarily, that it will not stop the problem that we will have in 1977, which will be the virtual closing down of those areas, such as in California where we have an inversion area, a meteorological type of lid that keeps the pollutants in our metropolitan area.

I want to clarify that, because people are saying that the EPA is wrong. They are doing exactly what we told them to do. They are realizing they are in a straitjacket.

I hope later when I am finally recognized for an amendment that I can offer an amendment which will take away a lot of this impact, so that we can have air quality; but we can run it out to say 1985 in a heavily impacted area, like San Francisco or Los Angeles or some of the eastern cities.

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

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

Mr. ROGERS. Mr. Chairman, I would urge that we vote down this amendment. Let us come back with an amendment to suspend for 1 year, which would allow them to come into the Congress with a recommendation and a whole package representing the total picture.

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

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

Mr. LEGGETT. Is the gentleman suggesting that we suspend the items mentioned in this particular amendment for a period of 1 year?

Mr. ROGERS. Yes, I would. What does the gentleman think about that?

(By unanimous consent, Mr. ADAMS was allowed to proceed for 1 additional minute.)

Mr. ROGERS. Mr. Chairman, I thought the gentleman might respond as to his feelings about suspending parking limitations and lane limitations for 1 year.

Mr. MOSS. Mr. Chairman, in view of the fact I am proposing the amendment, it would be appropriate to address the question to me.

Mr. ADAMS. I yield to the gentleman from California (Mr. Moss).

Mr. MOSS. I would say the suspension for 1 year would only insure that the chaos created by the August order would continue with certainty for 1 year. It would not cure the problem. It would not remove the problem.

With all good respect for my friend from California (Mr. REES) and I know his long association with these matters and his expertise; nevertheless I disagree with him equally. I think it is time here

that we remove the problems created by the unwise action of the EPA in the orders they issued.

Mr. TALCOTT. Mr. Chairman, I support this amendment. I commend the committee for rescinding the parking surcharge previously promulgated by the EPA. This demonstrates that the House can respond quickly to the desires and needs of our constituents.

The proposed rulemaking promulgated by the administration of EPA on November 12 was a blatant attempt by the Federal Government to arbitrarily impose its will on State and local governments with no regard for the economic consequences to the community.

This administrative action would circumvent the legislative process. It is of doubtful constitionality since it usurps the taxing authority of the House of Representatives.

The consequence of this so-called parking surtax would be a tremendous financial burden on employees, employers, and public entities, including schools, hospitals, libraries, and churches.

It would unduly complicate transportation of working people, create unemployment, disrupt business operations and result in economic chaos..

An employee who drives to work and has to pay a mandatory charge would, in effect, be taking a cut in wages.

Furthermore, if any substantial number of auto commuters attempted to convert overnight to bus travel, or other mass transit, the existing supply would be unable to handle the volume of people, and chaotic transportation conditions would result.

Another readily foreseeable adverse side effect would be the loss of many skilled workers who would be unwilling to undergo the irritation of bus or rail commuting and unable to withstand the financial impact of continued auto travel.

Mr. Chairman, the committee, in section 202(b)(2) rescinds the parking surcharge. The bill will preserve the right of State and local governments to enact their own laws without having "big brother" superimposing its will on them. To this extent the committee has eliminated some of the defects of this bill. The amendment will restrict the authority of the EPA until a more practical solution is discovered and the consequences better understood.

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

I really do not think we are all so far apart today in these regulations. I think we have all had discussions with the Environmental Protection Agency. I think they have admitted that they have promulgated regulations in California prematurely. If we could have had an agreement from them that they would repromulgate the regulations for the transportation plan that has just gone into effect and is law in California today, certainly this amendment would not be required; but unfortunately, we are trying to handle the situation in a very piecemeal way.

As an example, originally in the regulations that were promulgated there was a parking tax that was going to go into effect on each and every parking place in excess of five of something like $450 per parking place. As I indicated, the House a few weeks ago on a supplemental, some of our major corporations were destined to pay more taxes in parking than the Federal income tax. These regulations have been very wisely withheld by the Environmental Protection Agency. They are going to repromulgate.

In addition to parking, we have parking supply management. What does that mean? That means that any construction as the regulations were promulgated of 50 or more parking places or facilities pertinent thereto in the five Western States, they need to apply to a supergovernment in San Francisco, to Mr. De Falco.

These we have authorized under previous legislation, and he would have the power to approve each and every one of those projects. We asked him, when did this become effective. It became effective last August 15. It just so happens that we have had some of our people who have had correspondence with the San Francisco office as late as September, and they did not even know that these regulations were in effect. We found out that they have on the order of 100 applications pending there, holding up construction in the five other States on those 100 projects; that the 100 projects comprise only 10 percent of the projects that are moving ahead, because 90 percent of the projects and the people that are building them are totally oblivious to the fact that EPA was really serious about promulgating these particular regulations.

The targets they have assumed in the regulations in compliance with the Federal law appear to be somewhat unrealistic. In the San Francisco area, they have to reduce traffic by 94 percent over the next 2 years in order to comply with what we have told them to do under the act. In the Sacramento area, they have got to reduce traffic 69 percent, including Placerville—that is Hangman's Town in Mr. JOHNSON's district—we thought that was a rural area. They have got to reduce traffic by 39 percent in rural Bakersfield at the southern end of the San Joaquin Valley.

In addition, the regulations that are promulgated would totally preclude the operation of any motorcycle in the State of California commencing in 1976 during the months of May, June, July, August and September. We are talking about probably about 200,000 vehicles. We think we have heard from the retailers and builders who are hurt—wait until this Congress hears from Hell's Angels. They are going to be down our necks like Gangbusters.

So, we do not cover that in this amendment. All we intend to do is to call to the attention of the Environmental Protection Agency that they have moved ahead like a shotgun, which they frankly admit they have. They need to go back to the drawing board and come up with something that is reasonable. If they cannot do it under the law, they have got to come back to Congress and ask for an amended order.

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

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

Mr. KAZEN. Mr. Chairman, I yield to the gentleman from California, if he had not finished.

Mr. LEGGETT. Mr. Chairman, I thank the gentleman for yielding to me.

I think there is a way out of this morass, and I believe that the air quality control section of EPA has attempted to act reasonably, but they were mandated by the court to act unreasonably. In California, of course we are concerned, where we enacted the air quality legislation, that our high standards would be allowed to stand irrespective of Federal legislation. Now, we find out that the California standards are totally inadequate. Nothing helps, and as a result we do not have any cooperation at all with the air quality agency of the State of California, which everybody admits is one of the best leading air quality agencies in the United States.

Mr. KAZEN. Mr. Chairman, I just tell my friend from Califorinia that I welcome him into the picture. I think the State of Texas was the first State to feel the wrath of EPA under that bill. Incidentally, the gentleman from California (Mr. REES) kept talking about what we in the Congress had told EPA to do.

Well, I will admit that it was in the clean air bill, all of these things they say they have authority to do, but let us review the history of that bill. Not one single word was spoken on the floor of this House when that bill was before this House—we never talked about transportation and the authority given EPA over transportation.

That provision was in the Senate bill, and then the conferees agreed to it, our own conferees. And when they came back on this floor with that conference report, not one single word was told on this floor about these provisions being in that conference report.

So we in this House did not get an opportunity to legislate on this Clean Air Act, as far as NEPA was concerned.

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

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

Mr. REES. Mr. Chairman, I appreciate the gentleman's yielding.

The amendment that I will be introducing along with the gentleman from California (Mr. GOLDWATER) says that there has to be more than a 20-percent reduction in vehicle miles traveled, and then automatically that area is granted a 2-year extension. It is an attempt to try to spread this bill out so it does not have too much of an adverse effect on the gentleman's community and upon my community.

Mr. KAZEN. Mr. Chairman, I understand what the gentleman is trying to say. But under the amendment proposed by the gentleman from California (Mr. Moss), we are telling NEPA not to pro-

ceed until they come back to this conference and find out what we want them to do and what authority we give them to do.

Now, under your amendment, you do not do that.

Mr. REES. No. I am not in opposition to this amendment that is now pending.

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

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

Mr. MOSS. Mr. Chairman, I think the Committee on Interstate and Foreign Commerce of this House has demonstrated time and time again that it is a highly responsible committee and it does act promptly when the agencies submit well-reasoned requests to the committee for its consideration.

I know that the gentleman from Florida, who chairs the Subcommittee on Public Health, has been most cooperative with the agency in responding to its requests. And there is no reason to believe that if they give thought and care, far more than they did in this case, to the promulgation of the proposals, they will be given the appropriate consideration by the committee and ultimately by the Congress.

Mr. KAZEN. Mr. Chairman, I agree with what the gentleman says.

My people from Texas have come before the gentleman's committee, and they listened to them.

However, when I hear that the reason the Environmental Protection Agency has done what it has done in formulating these plans was because they were under court order to do so, well, if we do not like it, if we do not like that court order, there is only one remedy we have: Change the law. And this is the place to do it.

So I see nothing mystic about an amendment like this, telling EPA what they can or what they cannot do, because, after all, this is the place where we do tell them what they can do and what they cannot do.

The other thing that hackles me a little bit actually is that they went all over this country, and there are very few places where they have not been, and they said, "We want public hearings. We are going to give you public hearings."

They have always announced their plans.

They came into San Antonio and they had public hearings on this plan. Nobody was for it. I understand the same thing happened in Boston and in some other cities. And then when they got through with those hearings, they did not cross one "t" or dot one "i" any differently than what they had done before those hearings were held. So the hearings were a mockery.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I recognize the desire of a large percentage of the membership here to get on with the job. We have probably been working on this bill for 10 or 15 hours.

Those of us who are not members of the committee get a very rare opportunity to speak. Of all those Members affected by air pollution, I think I, with the district I represent, probably bear the worst brunt of it.

What we are attempting to do in this piece of legislation bears very heavily on the prospect for achieving clean air in this country, and I feel constrained to make a few remarks about it.

The pending amendment is not, in my opinion, going to drastically affect the situation one way or another. The EPA has already taken the action mandated by the upsurge of public opinion to withdraw these restrictions on parking, as they quite properly should have done.

What I am concerned about is that in various other sections of the bill we may be making it impossible to achieve any progress whatsoever in solving the air pollution problem in southern California. I would not even regret that so much if I sensed on the part of the membership of this House an awareness of the fact that we have contributed to creating this problem.

We have created that problem by our love affair with the automobile and the oil business and the subsidies which promoted the vast expansion of gasoline sales and the tax advantages to the oil companies and our failure adequately to fund mass transportation or any other form of energy-saving device or economic transportation compared to the way that we funded freeways and things of that sort.

If, out of the discussion on this bill, will come a realization that we must mend our ways and begin to appropriate money to build mass transit facilities, as we have done freeways in the past, then we can resolve both the air pollution problem and the energy problem within a reasonable period of time.

However, this bill, which seeks to make major amendments in the Clean Air Act, is not going to help a great deal in solving the air pollution problem or the energy problem. I am particularly concerned about that section of the bill which rolls back the standards for automobile emissions.

I am a little puzzled—and perhaps the Chairman of the Committee can explain—how it is by changing standards for 1977 or 1978 or even up to 1983, we are going to solve or contribute to the solution of the energy problem in 1973 or 1974.

I do not think that is the answer. Yet we have in section 203 of the bill a fairly substantial change in the emission standards which has the effect of allowing automobile companies to continue to make polluting automobiles for this additional length of time.

Would the chairman of the committee care to comment on the importance of that particular section of the bill? If I may be specific, Mr. Chairman, why is it that the change in the standards set forth in section 203 will contribute to the solving of the energy problem in 1973.

Mr. STAGGERS. Will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman.

Mr. STAGGERS. I will say to the gentleman that the bill as we have it now I think is a good bill and will take care of a lot of the problems that the gentleman mentioned here. Especially, may I say, the amendment offered by the gentleman from California, your colleague, which I hope we can vote on in a moment.

Then there are other problems or other amendments that will be offered, and I hope we can take them up and dispose of them promptly.

Mr. BROWN of California. I thank the chairman. I would not have taken the time to speak at this time unless I was led to believe that under the procedures we have been following I would not get a chance to offer my amendment to strike out section 203, and even if I do have that opportunity I would not have the opportunity to debate it. I am beginning to feel that my rights as a Member of this House are being slightly infringed upon by this procedure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Moss) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The amendment to the amendment in the nature of a substitute was agreed to.

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

Mr. Chairman, if I may have the attention of the chairman of the committee (Mr. STAGGERS), I have asked for this time in order to see if we can come to some agreement on working out the mechanics for the ultimate conclusion of this legislation. I ask the chairman what he has in mind as far as the committee rising tonight is concerned and returning tomorrow and perhaps reaching an agreement on when we can finally conclude this matter.

Mr. STAGGERS. Will the gentleman yield?

Mr. DEVINE. I am happy to yield to the gentleman.

Mr. STAGGERS. I would certainly like to come to some agreement here if it can be a consensus. I do not want to cut anybody off. I think we have to have some kind of an agreement to come to a conclusion on this matter, however. I would say that if we can come to an agreement that we will come in at 10 o'clock tomorrow, I then feel it would be a reasonable time to stop at 3 or 4 on tomorrow and vote on the bill.

That would be 6 or 7 hours more. If we do not do that, I would suggest we keep on with the debate here for a while, and get a few more amendments covered. I would say that we would probably rise now at 7 o'clock.

Mr. DEVINE. Mr. Chairman, it is my understanding, and having recently checked with the Clerk at the desk, that there are now pending some 63 amendments, some of which may be duplications, of course. Perhaps we could come to some agreement as to a limitation of time as to the consideration of each amendment so that we could see daylight at the end of the pipe. Does the gentleman from West Virginia have any ideas along that line?

Mr. STAGGERS. Mr. Chairman, I would certainly hope that we could find a way to solve this, because I also under-

stand that many of these amendments are duplications, and some of them will be accepted, I am sure, on both sides of the aisle. So I do not think that when we actually get to the consideration of those amendments that they will take, really, the amount of time that we think perhaps they will.

I do wish to be fair, certainly, to every Member in the House, and that every Member should have a chance to offer their amendments. I would hope that we can reach an agreement maybe to vote on this bill by 3 o'clock tomorrow afternoon.

Mr. DEVINE. Does the Chairman wish to put that in the form of a motion, that all debate on the bill and all amendments thereto close at 3 o'clock tomorrow?

Mr. STAGGERS. I would rather present a uanimous-consent request first.

Mr. KETCHUM. Mr. Chairman, reserving the right to object——

The CHAIRMAN. The Chair will state that no unanimous-consent request has been made. Does the Chairman wish to make a unanimous-consent request?

Mr. STAGGERS. If the gentleman will yield further, I would like to address the Chair and say, Mr. Chairman, that I ask unanimous consent that all debate on the bill and all amendments thereto would close at 3 o'clock tomorrow afternoon.

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

Mr. GROSS. Mr. Chairman, objection.

The CHAIRMAN. Objection is heard.

The Chair would have to state that the Committee of the Whole cannot set the time of convening on tomorrow.

Mr. STAGGERS. Mr. Chairman, I understand that, and I know that I would have to wait until later so as to consult with the Speaker and others as to the time that we might resume tomorrow.

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

Mr. DEVINE. I yield to the distinguished Speaker of the House, the gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would say that perhaps if we could finish up within the next few minutes in the Committee of the Whole that then we could try to come in at 10 o'clock tomorrow morning, when we get back into the House, and then tomorrow morning take another look at this, and see if we can expedite the consideration of the bill tomorrow.

Mr. STAGGERS. Mr. Chairman, if the gentleman will yield further, in response to the question posed by the distinguished Speaker, I would say that if we can continue until 7 o'clock, that we could then rise with the understanding that we would then try to see what we can do with reference to what the Speaker said about tomorrow morning for a reevaluation of the situation, that I would be very happy to proceed to do that.

Mr. DEVINE. Does the Chairman desire a limitation on the pending amendment?

The CHAIRMAN. The Chair will advise the gentleman from Ohio that there is presently no amendment pending.

Mr. DEVINE. Mr. Chairman, I thank the Chairman, and I yield back the balance of my time.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. HASTINGS).

AMENDMENT OFFERED BY MR. HASTINGS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STAGGERS

Mr. HASTINGS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

The Clerk read as follows:

Amendment offered by Mr. HASTINGS to the amendment in the nature of a substitute offered by Mr. STAGGERS: On page 57, beginning on line 1 delete section 203 of H.R. 11882 and insert in lieu thereof the following:

SEC. 203 MOTOR VEHICLE EMISSIONS.

(a) REVISION OF STANDARDS.—(1) Section 202(b)(1) of the Clean Air Act is amended—

(A) by striking out in subparagraph (a) "1975" and inserting in lieu thereof "1978";

(B) by striking out "during or after model year 1976" and all that follows in subparagraph (b) and inserting in lieu thereof "during model year 1976 shall contain standards which limit emissions to a maximum of 3.1 grams per vehicle mile of oxides of nitrogen. The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light duty vehicles and engines manufactured during or after model year 1977 shall contain standards which limit emissions to a maximum of 2.0 grams per vehicle mile of oxides of nitrogen."; and

(C) by adding at the end of such paragraph the following new subparagraph:

"(C) Compliance with the regulations prescribed pursuant to this section for model years 1975, 1976, and 1977, shall be measured by certification test procedures prescribed by the Administrator for model year 1975. The regulation for model years 1975, 1976, and 1977 prescribed pursuant to subsection (a) (for carbon monoxide and hydrocarbons) shall impose the same emission standards as are in effect as of December 1, 1973, for model year 1975."

(2) Section 202(b)(5) of the Clean Air Act is repealed.

(b) Extension of Implementation Plan Deadlines.—Section 110 of the Clean Air Act is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding any other provision of this Act, the Administrator may, within the period by which (under subsection (a)(2)(A)(i)) an applicable implementation plan must provide for the attainment in a State of a national primary ambient air quality standard (as such period may be extended under subsection (e)), extend such period for not more than two additional years if he determines that such primary standard cannot be attained in such State within such period solely by reason of the amendments made by section 203(a) of the National Energy Emergency Act."

Redesignate the succeeding sections.

Mr. HASTINGS. Mr. Chairman, before I proceed on the amendment, I might say that we put these House computers to work a few moments ago and divided the number of amendments that are remaining by the time it took us today to pass various amendments. We figured out that if we spend 7 days a week, 8 hours a day, with the number of amendments remaining, we will finish on December 28. I am sure everybody will be happy to know that, as we consider the limitation of time tomorrow.

Mr. Chairman, this amendment, although it took a great deal of time to read, is a rather simple amendment. In the wisdom of the committee, and as a compromise between and among all of the people who are interested in either changing the auto emission standards in the Clean Air Act or opposing any change whatsoever, and those who would have us relinquish whatever controls we now have in the act, the committee came up with a compromise, and that is to keep in place the auto emission standards for the year 1975. They would stay in place in the bill for the years 1975 and 1976.

This amendment merely says that those 1975 standards would be in effect for the years 1975, 1976, and 1977. This adds 1 additional year to the 1975 auto emission standards. I know there are those in this House who would like to remove all auto emission standards whatsoever, and this was thoroughly discussed in both the subcommittee, as chaired by the gentleman from Florida (Mr. ROGERS), and in the full committee, and the best compromise possible, I think, was to adopt the 1975 standards. This amendment, I will repeat, only extends those standards to the year 1977, in addition to what the bill does.

I might say, and I think the gentleman from California (Mr. BROWN) stated this earlier in relation to another amendment, that sometimes this Congress forgets that we are the ones who passed the Clean Air Act in the year 1970.

We are the ones that put it in place. We allowed EPA to have the authority to do what they have done today under the Clean Air Act, and we in fact then said to the automobile manufacturers of this country that they must meet certain standards by the year 1975. Some of those companies have proceeded to try to meet those standards and in fact have put into place the technology available to them to do that.

Now we are intending to change the standards and by going to 1975 some auto companies say they can meet those standards and some say they cannot, but what I am attempting to do in this amendment is say let us, for heaven's sake, adopt the standards we think are the best compromise in the interest of protecting clean air and of protecting the economy which of course is affected by every movement in the auto industry, and do what is in the best interest of everybody concerned, which in my judgment is to adopt the 1975 standards as standards and then just to continue them for a 2-year period of time.

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

Mr. Chairman, I do this for the purpose of getting some understanding on the debate on this amendment. The Chairman has proposed that we adjourn at 7 o'clock and I would like to get some agreement that all debate on this amendment will close at 7:05 and we would then rise.

I ask unanimous consent that all debate on this amendment close at 7:05.

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

There was no objection.

The CHAIRMAN. The Chair will recognize the Members for something over 2 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I would oppose this amendment and I would hope the House would oppose it. The committee itself in its deliberations in both the subcommittee and the full committee opposed it. The subcommittee held 3 days of hearings and rejected this approach and the full committee rejected it and I think the House should reject it.

What the bill does do is to extend the 1975 standards 1 year, and then it gives the discretion to the Administrator of EPA to extend another year if that is necessary. Furthermore, on the NOX standard, it would allow an extension up to 1983 if the Administrator so determines that is necessary. So we have adequately provided in the bill the proper approach and I would say as the committee said in its determination that we ought not in this hour simply to emasculate the Clean Air Act.

This gives us plenty of time to act later, that is the committee bill. This simply sets in the law where it cannot be changed that we are going to have 1975 and 1975 and 1975 and 1976 and 1975 and 1977. We think that is not a proper extension to have. The committee said that and we think we can accomplish what needs to be accomplished. We tried to get a proper balance here by saying we can have 1975, 1975, 1975, and 1976, and then let the Administrator determine if 1977 is needed.

Mr. Chairman, I urge defeat of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. ROUSSELOT).

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. HASTINGS).

The CHAIRMAN. The Chair recognizes the gentleman from New York for 4 minutes.

Mr. HASTINGS.. Mr. Chairman, it is very seldom that the chairman of our Subcommittee on Public Health and myself differ on many issues. We most often work very carefully together and generally in the best interests of the matter at hand.

I was rather sorry to hear him use and say the word "emasculate" the Clean Air Act, because as I mentioned before, there are those who would remove our standards completely. The gentleman knows I do not use that approach.

There are those who would prefer to go to the 1974 standards, which would have the possible effects of emasculating the Clean Air Act. I do not say that I have consistently supported the Clean Air Act and will continue to do so, both as relating to auto emission standards and to stationary standards.

I am simply saying here, and as the gentleman from Florida says, we will allow the Administrator of EPA to make a decision as to whether he will grant the additional year. I say that in the wisdom of this Congress we should make that judgment. We have left too many decisions now to the Administrator of EPA and we are paying for them, as these past amendments have spoken rather largely to.

We will do what the gentleman says, go to 1975 or 1976, as the bill allows; but then instead of allowing the Administrator of EPA to go to another year, let us make that decision here and tell both the American public and the automobile manufacturers what we will suspend in 1975 and proceed for 2 years and deal as we should with the problem of the manufacture of automobiles to eliminate emission standards.

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

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

Mr. ROGERS. Mr. Chairman, the gentleman has been a strong supporter of clean air and does not mean to emasculate the Clean Air Act; but let me say, what is the purpose of the gentleman's amendment? I presume it is to help save fuel in the energy crisis.

Mr. HASTINGS. I would assume from the title of the bill that everything we do here is to do precisely that, to save fuel.

Mr. ROGERS. If that is the case, I am sure the gentleman can read——

Mr. HASTINGS. I will say to the gentleman that I can read.

Mr. ROGERS. Let me point out to the gentleman, on line 22, page 81, if he can read——

Mr. HASTINGS. Pardon me. Will the gentleman yield on my time?

Mr. ROGERS. I yield to the gentleman.

Mr. HASTINGS. I cannot find in my bill page 81. Although I question whether I can read, I wonder if the gentleman can count?

Mr. ROGERS. It is in paragraph subsection (f) under (5)(A) to (f). It is page 59. I was looking at the wrong page of the substitute.

It is saying that he may waive such standards if they would result in significant increase in fuel consumption. This is for 1977.

Mr. HASTINGS. But the gentleman knows that the Administrator of EPA does not want to suspend that standard at all. He has so told us; so when we say we will give him the right to make the decision 2 years down the line, when he is already on record as saying he did not agree to any relaxation in standards, I cannot have the same confidence in the Administrator that he will take that action.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. GUDE) for 2 minutes.

Mr. GUDE. Mr. Chairman, there is a growing belief in the country that one of the ways to help solve the energy crisis is through the relaxation of a wide variety of environmental standards, and to make the environmentalists the scapegoats for all our problems.

Specifically, I do not believe we should sacrifice the health of this Nation as it pertains to air pollution by blaming antipollution devices for low gas mileage when heavier cars with automatic transmissions, air conditioners, and all manner of power gadgets are the real gas guzzlers.

The suggestion is pushed that the implementation of new car emissions standards be delayed in order to conserve gasoline. This belief is manifestly false and cannot be supported by the evidence. In fact, it is quite likely that delays in the implementation of emissions standards would waste energy, not save it.

There are four basic facts that show this clearly:

FACT ONE

The catalytic converter already announced by General Motors for its 1975 cars not only will improve performance but will give more gas mileage, not less. General Motors itself has made this claim.

FACT TWO

By redesigning engines, Detroit can both reduce emissions and increase mileage. The Honda automobile meets emissions standards and provides excellent mileage. Thus we have proof that emissions standards can be met while producing better gas mileage. In addition, we have proof of this dating back to 1930, and it sits in the Smithsonian Institution. A diesel engine built by Caterpillar tractors in 1930 is on display. It meets the most stringent emissions requirements ever proposed, and diesel cars get more than 30 miles to the gallon.

FACT THREE

The 1974 model automobiles do provide poorer gas mileage than previous models, some of which is related to interim-type emission controls on their engines. However, by 1976, under present clean air regulators, all new cars will include catalytic-type devices which GM says will improve mileage.

If the current press to adopt the improved pollution control devices is eased, the current fuel wasting interim devices will be with us for that much longer. The way to save energy then, is to allow the Clean Air Act to continue as it is. The way to waste energy is to freeze emissions standards at current levels.

FACT FOUR

There is a direct relationship between energy consumption and the size of automobiles and their engines. In its efforts to conserve energy through better gasoline mileage for its new cars, Detroit should produce smaller cars in 1976 with smaller engines. Congress should encourage savings by this means rather than by increasing air pollution.

It should be clear from this evidence that the maintenance of sound environmental standards is not necessarily in conflict with energy conservation, and that efforts to delay implementation of emission standards will actually waste gasoline, not conserve it.

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

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

Mr. ROGERS. Mr. Chairman, I want to commend the gentleman for his attitude. I do think we have to be reasonable, but the committee in adopting this position, as the gentleman says, has tried to reach some balance. However, just to go all out the other way and not be realistic, I think would not be right.

Mr. GUDE. Mr. Chairman, it should be pointed out that we have already delayed this 1 year.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL of North Carolina. Mr. Chairman, I see this amendment as a most reasonable amendment. I do not see it as doing, as someone has said, emasculating the language which is in this bill. All it says is that we in the Congress are extending the automobile emission standards 1 additional year.

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

Mr. BROYHILL of North Carolina. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman from North Carolina for yielding to me.

Mr. Chairman, if we look over the history of the Clean Air Act administration, which I supported, I must say that we have had a great deal of difficulty. We have gone too far, too fast.

If we check the record, in 1972 we got a car which was not driveable. As a result of that, in 1973 the automobile companies built a car with a larger motor which consumed a lot more gasoline and was not much more driveable. We have that same car today, and it guzzles huge amounts of gasoline.

In 1975 a catalytic converter will be placed upon all of our automobiles. According to our information in the hearings which we received, there will be a savings of some 12 or 13 percent over 1974.

For this reason, I have supported the idea of going to the 1975 standards, but since we have had so much trouble with the automobiles in the past few years, I feel we have gone too far, too fast, and I think it is recognized throughout the industry.

For this reason, Mr. Chairman, I would extend, as the gentleman from New York would, the standards for 1 additional year. I believe we had testimony from a dealer from Stillwater, Okla. He happened to be the mayor of that city, and he told us of the revolt of the owners of these automobiles. I am going to tell the Members, if they listen to the people who bought the 1972, 1973 and 1974 cars, they will find that they are gas guzzlers. They are heavy. We have gone too far, too fast. We need to take a little bit more time, and I strongly support the amendment of the gentleman from New York (Mr. HASTINGS).

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

Mr. STAGGERS. Mr. Chairman, I oppose the amendment and suggest that we vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. HASTINGS) to the amendment in the nature of a substitute offered by the gentleman from West Virginia (Mr. STAGGERS).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 180, answered "present" 1, not voting 52, as follows:

[Roll No. 665]

AYES—199

Abdnor	Gonzalez	Peyser
Alexander	Goodling	Poage
Andrews, N.C.	Grasso	Powell, Ohio
Archer	Green, Oreg.	Price, Tex.
Arends	Gross	Quie
Armstrong	Grover	Quillen
Ashbrook	Guyer	Randall
Baker	Hammer-schmidt	Rarick
Bauman	Hanrahan	Rhodes
Beard	Hansen, Idaho	Roberts
Bennett	Hastings	Robinson, Va.
Bevill	Hicks	Robison, N.Y.
Biaggi	Hillis	Roncallo, N.Y.
Blackburn	Hinshaw	Rose
Bowen	Hogan	Rousselot
Bray	Holt	Ruppe
Breaux	Horton	Ruth
Brooks	Huber	Ryan
Brown, Ohio	Hudnut	Sarasin
Broyhill, N.C.	Hungate	Satterfield
Broyhill, Va.	Hutchinson	Scherle
Buchanan	Ichord	Schneebeli
Burgener	Johnson, Pa.	Sebelius
Burleson, Tex.	Jones, Ala.	Shipley
Butler	Jones, N.C.	Shoup
Byron	Jones, Okla.	Shriver
Carter	Jones, Tenn.	Shuster
Casey, Tex.	Kazen	Sikes
Cederberg	Kemp	Snyder
Chamberlain	Ketchum	Spence
Clancy	King	Stanton, J. William
Clawson, Del	Kuykendall	Steed
Cleveland	Landgrebe	Steele
Cochran	Latta	Steiger, Ariz.
Cohen	Lent	Steiger, Wis.
Collins, Tex.	Litton	Stephens
Conable	Long, La.	Stratton
Conlan	Lott	Stubblefield
Cotter	McClory	Stuckey
Crane	McCollister	Symms
Daniel, Dan	McCormack	Talcott
Daniel, Robert W., Jr.	McEwen	Taylor, N.C.
Davis, Wis.	McKay	Teague, Tex.
de la Garza	McKinney	Thone
Delaney	McSpadden	Thornton
Dennis	Madigan	Towell, Nev.
Derwinski	Mahon	Treen
Devine	Maraziti	Ullman
Dickinson	Martin, Nebr.	Veysey
Dorn	Martin, N.C.	Waggonner
Downing	Mathias, Calif.	Wampler
du Pont	Mathis, Ga.	Ware
Edwards, Ala.	Mayne	White
Esch	Michel	Whitehurst
Eshleman	Milford	Whitten
Findley	Miller	Widnall
Fisher	Minshall, Ohio	Wiggins
Flowers	Mitchell, N.Y.	Williams
Flynt	Mizell	Wilson, Bob
Forsythe	Montgomery	Wilson, Charles, Tex.
Fountain	Moorhead, Calif.	Wylie
Frelinghuysen	Myers	Wyman
Frey	O'Brien	Young, Alaska
Froehlich	Owens	Young, S.C.
Gettys	Passman	Young, Tex.
Giaimo	Pettis	Zion
Ginn		

NOES—180

Abzug	Boggs	Chisholm
Adams	Boland	Clausen, Don H.
Anderson, Calif.	Brademas	Collins, Ill.
Anderson, Ill.	Brasco	Conte
Annunzio	Breckinridge	Conyers
Ashley	Brinkley	Corman
Aspin	Brotzman	Coughlin
Badillo	Brown, Mich.	Cronin
Bafalis	Burke, Fla.	Culver
Barrett	Burke, Mass.	Danielson
Bergland	Burlison, Mo.	Davis, Ga.
Biester	Burton	Dellenback
Bingham	Carey, N.Y.	Dellums
Blatnik	Carney, Ohio	Denholm
Boggs	Chappell	Dent
Boland	Chisholm	Diggs
Brademas	Clausen, Don H.	Dingell
Brasco	Collins, Ill.	Donohue
Breckinridge	Conte	Drinan
Brinkley	Conyers	Dulski
Brotzman	Corman	Duncan
Brown, Mich.	Coughlin	Eckhardt
Burke, Fla.	Cronin	Edwards, Calif.
Burke, Mass.	Culver	Eilberg
Burlison, Mo.	Danielson	Evans, Colo.
Burton	Davis, Ga.	Evins, Tenn.
Carey, N.Y.	Dellenback	Fascell
Carney, Ohio	Dellums	Fish
Chappell	Denholm	Flood
Clausen, Don H.	Dent	Foley
Collins, Ill.	Diggs	Ford, William D.
Conte	Dingell	Fraser
Conyers	Donohue	Frenzel
Corman	Drinan	Fulton
Coughlin	Dulski	Fuqua
Cronin	Duncan	Gaydos
Culver	Eckhardt	Gibbons
Danielson	Edwards, Calif.	Gilman
Davis, Ga.	Eilberg	Green, Pa.
Dellenback	Evans, Colo.	Griffiths
Dellums	Evins, Tenn.	Gude
Denholm	Fascell	Gunter
Dent	Fish	Haley
Diggs	Flood	Hamilton
Dingell	Foley	Hanna
Donohue	Ford, William D.	Harrington
Drinan	Fraser	Harsha
Dulski	Frenzel	Hébert
Duncan	Fulton	Hechler, W. Va.
Eckhardt	Fuqua	Heckler, Mass.
Edwards, Calif.	Gaydos	Heinz
Eilberg	Gibbons	Helstoski
Evans, Colo.	Gilman	Holtzman
Evins, Tenn.	Green, Pa.	Howard
Fascell	Griffiths	Jarman
Fish	Gude	Jordan
Flood	Gunter	Karth
Foley	Haley	Kastenmeier
Ford, William D.	Hamilton	Kluczynski
Fraser	Hanna	Koch
Frenzel	Harrington	Kyros
Fulton	Harsha	Leggett
Fuqua	Hébert	Lehman
Gaydos	Hechler, W. Va.	Long, Md.
Gibbons	Heckler, Mass.	Lujan
Gilman	Heinz	McCloskey
Green, Pa.	Helstoski	McDade
Griffiths	Holtzman	McFall
Gude	Howard	Macdonald
Gunter	Jarman	Madden
Haley	Jordan	Mallary
Hamilton	Karth	Mann
Hanna	Kastenmeier	Matsunaga
Harrington	Kluczynski	Mazzoli
Harsha	Koch	Meeds
Hébert	Kyros	Melcher
Hechler, W. Va.	Leggett	Mezvinsky
Heckler, Mass.	Lehman	Minish
Heinz	Long, Md.	Mink
Helstoski	Lujan	Mitchell, Md.
Holtzman	McCloskey	Moakley
Howard	McDade	Mollohan
Jarman	McFall	Moorhead, Pa.
Jordan	Macdonald	Morgan
Karth	Madden	Mosher
Kastenmeier	Mallary	Moss
Kluczynski	Mann	Murphy, Ill.
Koch	Matsunaga	Murphy, N.Y.
Kyros	Mazzoli	Natcher
Leggett	Meeds	Nedzi
Lehman	Melcher	Nichols
Long, Md.	Mezvinsky	Obey
Lujan	Minish	O'Hara
McCloskey	Mink	O'Neill
McDade	Mitchell, Md.	Patten
McFall	Moakley	Pepper
Macdonald	Mollohan	Perkins
Madden	Moorhead, Pa.	Pickle
Mallary	Morgan	Pike
Mann	Mosher	Preyer
Matsunaga	Moss	Price, Ill.
Mazzoli	Murphy, Ill.	Pritchard
Meeds	Murphy, N.Y.	Railsback
Melcher	Natcher	Rees
Mezvinsky	Nedzi	Regula
Minish	Nichols	Reid
Mink	Obey	Reuss
Mitchell, Md.	O'Hara	Riegle
Moakley	O'Neill	Rinaldo
Mollohan	Patten	Roe
Moorhead, Pa.	Pepper	Rogers
Morgan	Perkins	Roncalio, Wyo.
Mosher	Pickle	Rooney, Pa.
Moss	Pike	Rosenthal
Murphy, Ill.	Preyer	Rostenkowski
Murphy, N.Y.	Price, Ill.	Roush
Natcher	Pritchard	Roy
Nedzi	Railsback	Roybal
Nichols	Rees	St Germain
Obey	Regula	Sarbanes
O'Hara	Reid	Schroeder
O'Neill	Reuss	Seiberling
Patten	Riegle	Skubitz
Pepper	Rinaldo	Slack
Perkins	Roe	Smith, Iowa
Pickle	Rogers	Smith, N.Y.
Pike	Roncalio, Wyo.	Staggers
Preyer	Rooney, Pa.	Stanton, James V.
Price, Ill.	Rosenthal	Stark
Pritchard	Rostenkowski	Steelman
Railsback	Roush	Studds
Rees	Roy	Symington
Regula	Roybal	Thomson, Wis.
Reid	St Germain	Tiernan
Reuss	Sarbanes	Udall
Riegle	Schroeder	Van Deerlin
Rinaldo	Seiberling	Vander Jagt
Roe	Skubitz	Vanik
Rogers	Slack	Vigorito
Roncalio, Wyo.	Smith, Iowa	Waldie
Rooney, Pa.	Smith, N.Y.	Whalen
Rosenthal	Staggers	Wilson, Charles H., Calif.
Rostenkowski	Stanton, James V.	Winn
Roush	Stark	Wolff
Roy	Steelman	Wright
Roybal	Studds	Yates
St Germain	Symington	Yatron
Sarbanes	Thomson, Wis.	Young, Fla.
Schroeder	Tiernan	Young, Ga.
Seiberling	Udall	Young, Ill.
Skubitz	Van Deerlin	Zablocki
Slack	Vander Jagt	Zwach
Smith, Iowa	Vanik	
Smith, N.Y.	Vigorito	
Staggers	Waldie	
Stanton, James V.	Whalen	
Stark	Wilson, Charles H., Calif.	
Steelman	Winn	
Studds	Wolff	
Symington	Wright	
Thomson, Wis.	Yates	
Tiernan	Yatron	
Udall	Young, Fla.	
Van Deerlin	Young, Ga.	
Vander Jagt	Young, Ill.	
Vanik	Zablocki	
Vigorito	Zwach	
Waldie		
Whalen		
Wilson, Charles H., Calif.		
Winn		
Wolff		
Wright		
Yates		
Yatron		
Young, Fla.		
Young, Ga.		
Young, Ill.		
Zablocki		
Zwach		

ANSWERED "PRESENT"—1

Parris

NOT VOTING—52

Addabbo	Gray	Nelsen
Andrews, N. Dak.	Gubser	Nix
Bell	Hanley	Patman
Bolling	Hansen, Wash.	Podell
Broomfield	Harvey	Rangel
Brown, Calif.	Hawkins	Rodino
Burke, Calif.	Hays	Rooney, N.Y.
Camp	Henderson	Runnels
Clark	Holifield	Sandman
Clay	Hosmer	Sisk
Collier	Hunt	Stokes
Daniels, Dominick V.	Johnson, Calif.	Sullivan
Davis, S.C.	Johnson, Colo.	Taylor, Mo.
Dent	Keating	Teague, Calif.
Erlenborn	Landrum	Thompson, N.J.
Goldwater	Mailliard	Walsh
	Metcalfe	Wyatt
	Mills, Ark.	Wydler

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

Mr. FRENZEL. Mr. Chairman, the Interstate and Foreign Commerce Committee, the Judiciary Committee, and the House leadership have put the House in a terrible position on this emergency energy bill. The bill was hurried, overwhelmed by amendments, and substituted by the committee.

It was brought before us under a rule waiving points of order before most of us had a chance to see it. As soon as it reached the floor, there was another substitute. No one denies the emergency, but I believe this procedure almost guarantees that the legislation will be flawed.

It seems to me that we are overly concerned with recesses, holidays, and vacations. Are we in such a hurry to get out of here that we cannot do the people's work in a businesslike manner? I do not think it should be impertinent to suggest that we have at least 48 hours to review

the bill and prepare amendments. We should also have time to discuss, debate, and amend it here. Any limitation of debate is unthinkable on a bill of this importance, and particularly one that comes to sight unseen.

It is hard to escape the conclusion that we, the Congress, like the Executive and the people, were caught unprepared for the energy problems we face today. Our job is to get prepared in a hurry, pass emergency legislation, and then follow up to improve that legislation. But, if we continue our get out of here as soon as possible pace in our blind attack on energy problems, we will only be guaranteeing that followup is a full-time job. We will also be guaranteeing that the Executive is inadequately armed to deal with the crisis.

We need to slow down and do it right. There seems to be wide agreement that enormous grants of power to the President are needed. Most of us would prefer to do a more complete policy-setting job here in Congress, but, because we are unprepared, we must give the President more power than we would prefer. At the very least, we had better be sure we know what we are giving him.

There is need, of course, for congressional oversight. But it should not be a congressional block. It is one thing to suspend a Presidential order. That seems to me to be a proper exercise of our authority. It is quite a different matter, and a silly one, it seems to me, to allow a Presidential program to fail because of our inaction. The Broyhill amendment, which failed yesterday, is a needed improvement to the bill. Without it, the broad, sweeping powers we claim to the President are a hoax. Absent the Broyhill amendment, all we have given him is the power to ration, and that because we are afraid to have to ratify that political hot potato ourselves.

The more I hear about this bill, the more it seems to be a copout—an inescapable, inevitable copout perhaps, but a copout nevertheless. It may also be a perfect monument to congressional incapacity.

I do not believe any of us has any choice about voting for this bill. It is a monster, but it is necessary. I do not like it. I do not like the way it has been handled. But I shall surely vote for it, because not having any bill would be unthinkable.

The creation of the Federal energy agency alone demands an "Aye" vote. The agency is off to a fast start with a good leader and high morale. We need a legislative basis for FEA just as we need other powers in this bill.

But, I hope we learn some lessons from our current distress. However distasteful it may be, we have to pass the bill. Then let us hope the committee goes back to the drawing board, exercises day-to-day oversight and brings to us, in pieces if necessary, perfecting legislation that can be worked on here in a thoughtful and careful way.

Mr. SHRIVER. Mr. Chairman, as we consider this important emergency legislation to deal with a national energy crisis, I wish to commend the committee for taking necessary action to include in this bill safeguards against unreasonable discriminations and unequitable treatment insofar as fuel allocation is concerned.

On November 25 the President's announcement of major cutbacks in fuel allocations for general aviation sent convulsions through my congressional district and other communities across the country. It was obvious that someone had failed to comprehend the major role which general aviation plays in our national air transportation system.

There were immediate lay-offs in the industry and the eventual loss of 100,000 or more jobs was threatened.

Fortunately, we were able to communicate directly with the President and other high officials in the administration and on December 1 necessary revisions were announced in the original allocation.

Despite the administration's revised allocations which place general aviation on a par with other forms of air transportation, I believe it is important that the Congress establish, through legislation, its determination that there be fairness and equity.

The committee has extended these safeguards to include certain uses such as recreational activities. There are, of course, many areas in this Nation where recreation and tourism provide the base of the local economy. There are industries, which comprise a major sector of our economy, that specialize in the manufacture of equipment for recreational and outdoor activities. For example, one of the Nation's largest manufacturers of recreation and camping equipment is in my congressional district. Unfair allocation and discrimination on gasoline usage in recreational vehicles would cause immediate unemployment.

Access to adequate supplies of fuels is basic to the survival of virtually every commercial enterprise and Government must act with care to assure that its actions are equitable and do not unreasonably discriminate among users.

The term "equitable" should be applied in its broadest and most general sense. No user or class of users should be called upon during this shortage period to carry an unreasonably disproportionate share of the burden.

This is the message which the Congress is sending to those who will administer this emergency program.

Mr. Chairman, my mail has been unusually heavy in recent weeks from constituents who raise reasonable objections to some of the methods suggested for conservation of scarce fuel supplies. The decisions facing the new Federal Energy Administrator are not easy. The American people are being called upon to make significant sacrifices. At the same time, they expect their Government leaders to discharge their responsibilities with evenhandedness, compassion, integrity, and courage.

I am personally opposed to allocation of scarce gasoline supplies through increased taxes. Such action would only impose heavy economic burdens on those least able to afford them. I have serious reservations regarding the need for rationing at this time, and would hope that it would be used only as a last resort. Rationing can only result in the creation of another bureaucratic maze, leading to new frustrations, particularly for those in the moderate- to low-income bracket.

Finally, Mr. Chairman, I concur with my distinguished colleague from Texas (Mr. PICKLE) in his separate views on this bill as included in the committee report, especially as they pertain to the so-called windfall profit provision. This provision, as it stands, will severely damage the small independent producers in my State of Kansas.

This is not to say that windfall profits of large energy concerns should be above suspicion or subject to the vigilance of the Government.

However, as the gentleman from Texas has so ably pointed out, the question of profits by oil companies should be examined by the Committee on Ways and Means, along with staff experts of the Joint Committee on Economics. These committees have the expertise to determine how to handle "windfall profits."

I would agree that should price gouging or "windfall profits" prove to be a fact, then the Ways and Means Committee should recommend necessary taxing legislation to serve the public interest.

Mr. FASCELL. Mr. Chairman, I rise in strong support of section 115—prohibitions on unreasonable allocation regulations—of the Energy Emergency Act, H.R. 11450. I highly commend the sponsors of this provision and the House Interstate and Foreign Commerce Committee for its wisdom and foresight in recognizing the special problem this section addresses and taking action to insure the greatest equity in dealing with the energy crisis.

The provision states simply:

> Action taken under authority of this Act, the Emergency Petroleum Allocation Act of 1973, or other Federal law resulting in the allocation of refined petroleum products and electrical energy among users or resulting in restrictions on use of refined petroleum products and electrical energy, shall be equitable, shall not be arbitrary or capricious, and shall not unreasonably discriminate among users.

It is designed to provide, to the maximum extent possible: First, fair treatment of the business segments of our economy, and, second, guidelines for the executive branch in developing and administering energy conservation plans so that businesses and their employees will be treated as equitably as possible. The objective is to avoid Government actions which may bankrupt particular businesses, industries or segments thereof and place thousands out of work through an arbitrary or capricious determination that an industry or segment thereof is totally unnecessary.

We feel the threat of such action very acutely in Florida. While Florida is anxious to cooperate to the fullest extent possible, the persistent accusation that tourism is at the bottom of the priority scale of national needs and therefore should be 100 percent restricted is obviously a factor which greatly concerns us. Tourism is a principal industry of the State. If it suffered a 100 percent reduction in energy allocation it would be disastrous, and the ensuing economic catastrophe would be beyond the capability of the State to absorb.

The severe economic dislocation would undoubtedly be felt nationwide.

Section 115 does not require absolute equality of treatment for all businesses. It recognizes that priorities must, of course, be established. But it does prohibit the administration from taking action which unreasonably discriminates against some users.

Major segments of our national industry—whether it be tourism or general aviation—may be considered nonessential to some. But to the thousands of people who support their families from jobs in those industries, I assure you they are by no means nonessential. They must be treated equitably, and fairly, during the energy shortage.

The Senate has already indicated its support for this position. As you know, an amendment to the daylight saving time bill, H.R. 11324, to require that any petroleum allocation program shall not unreasonably discriminate among users or classes of users, was passed by the Senate last week. While the conferees on the bill omitted the provision from the conference bill, they made special note that their action did not indicate any opposition to the provision. The conference reported stated:

The conferees recognized that severe hardships have been imposed on several sectors of the Nation's economy in recent months through administrative decisions which have arbitrarily cut allocations of fuel to whole sectors of the Nation's economy. The Conferees agreed that unreasonable discriminations in fuel allocations must be terminated at the earliest possible date.

Mr. Chairman, the entire Florida delegation shares this special concern, and last week joined in writing to the new energy czar, William E. Simon, pointing out the unique situation which exists in our State. I insert a copy of that letter dated December 6, 1973, for our colleagues information:

Hon. WILLIAM E. SIMON,
Deputy Undersecretary of the Treasury, Washington, D.C.

DEAR MR. SIMON: The citizens of the State of Florida are concerned over the acute and impending shortage of petroleum products affecting our State. Although we recognize that the shortage is being faced by all Americans, Floridians have a unique problem with respect to meeting our energy demands.

Assuming your office allocated petroleum products pursuant to 1972 distribution levels, Florida will suffer shortages dramatically and significantly greater than the nation as a whole. In order that you be apprised of our plight, please consider the following information:

1. Florida's winter in 1972 was 33% warmer than its prior 30 years average.

2. Florida's population growth was among the highest in the nation with an addition of 300,000 residents this year.

3. Our use of residual fuel oil for generating electricity was over twice the national increase: 22.3% to 10.7%.

4. Our use of middle distillates increased at almost 18% compared to the national average increase of 10.7%.

5. Florida's increased gasoline consumption is over twice as great as the national increase: 11.3% to 4.9%.

With a deficit of 15% to 25% in 1972 levels of petroleum products, a return to an average winter climate, an expected increase in the Florida population growth, especially with cold northern residents moving to Florida causing a continuation in the volatile demography of the state, and with the possible loss of these fuels, Florida can realize the most disastrous economic impact of any state in our nation.

Although we feel our goal is to overcome this crisis with our usual national cooperation, Florida will suffer disproportionately to the rest of the nation.

It is certainly quite clear that to pursue different guidelines could bankrupt many businesses or industries. This would be particularly true in Florida if thinking persists that tourism, a principal industry of the State of Florida, is at the bottom of the priority scale of national needs and therefore should be 100% restricted. If this would occur, it would be disastrous to the State of Florida and the ensuing economic catastrophe would be beyond the capability of the State to absorb. The repercussions would be felt nationwide.

As a matter of fact, travel to the South this winter probably should be encouraged. The energy cost of travel would be more than offset by the gain in the availability of heating oil for critical needs in the North.

Furthermore, there is a fear throughout all industry in Florida that because of an arbitrary, capricious, or inequitable determination affecting tourism, travel and all related industries, all economic sectors in Florida are being adversely affected. A 100% restriction of this industry is viewed tantamount to shutting down all factories or mills of a particular industry in another state.

Furthermore, we reject the concept that tourism and related travel can, or should, be totally eliminated in the establishment of priorities for critical needs. In developing and administering energy conservation plans the Administration must pursue a course of action so that all industries and their employees will be treated as equitably as possible.

We recognize, of course, that priorities must be established and that tourism and related industries may not be on an equal basis with higher national needs, but neither is it necessary to totally destroy the economy of an industry and a state and put hundreds of thousands of people out of work.

Therefore, we sincerely request your particular recognition of the Florida economic problem and urge that you consider these facts in your daily evaluation of fuel distribution.

Sincerely,

Edward J. Gurney, U.S.S., Robert L. F. Sikes, M.C., James A. Haley, M.C., Paul G. Rogers, M.C., Sam M. Gibbons, M.C., J. Herbert Burke, M.C., Louis Frey, Jr., M.C., Bill Gunter, M.C., William Lehman, M.C.

Lawton Chiles, U.S.S., Charles E. Bennett, M.C., Dante B. Fascell, M.C., Claude Pepper, M.C., Don Fuqua, M.C., Bill Chappell, Jr., M.C., C. W. Bill Young, M.C., L. A. Bafalis, M.C.

Mr. Chairman, I cannot stress enough the importance of insuring in the bill we pass today that we make absolutely clear to the administration that arbitrary discriminatory actions will not be allowed. With the enactment of the provision contained in section 115 the Congress explicitly states its policy intent to the administration. It then becomes incumbent upon us to make sure that congressional intent is clearly understood and faithfully carried out.

We are acting today on a bill which gives the executive branch and the new Federal Energy Administration broad, far-reaching powers. The critical disruption in the petroleum industry appears to warrant the granting of such authority. Based on recent administration decisions, however, I do have reservations about the direction our energy programs and Government policy concerning energy may take. The Congress must not forfeit its responsibility during the energy crisis—we must instead act to set policy guidelines and make absolutely sure that they are honored.

Mr. DE LA GARZA. Mr. Chairman, if the fuel shortage is permitted to give birth to a food crisis in the United States, the present situation will seem like a Sunday school picnic in comparison to what the future may hold.

Farming, as we all know, is no longer carried out by a man with a mule and a plow. Every phase of our vast agricultural industry is highly mechanized—from preparing the soil for planting to the harvesting of crops to the transport of those crops to market. And machines require fuel.

Unless adequate supplies of essential fuel are allocated to people engaged in agricultural pursuits, we will face an extremely serious threat of food shortages—accompanied, inevitably, by higher prices that will place a heavy burden on all consumers, as well as many jobs for all who work in agriculture.

I have reason to know that this danger is already developing. Agriculture is of prime importance in my south Texas district. Daily I am hearing cries of distress from farm producers and ranchers there and from the truck operators upon whom they depend for transporting what they produce. They are not getting the fuel they must have. Their needs cannot be met by slogans and public relations programs, no matter how skillfully constructed.

As the result of hearings conducted by the House Agriculture Committee, on which I serve, agriculture is included in the occupations given priority under the mandatory fuel allocation program. But a priority is worthless unless it is honored, and the information I receive is that this priority is not being uniformly honored in my area. Suppliers of petroleum products say they are unable to fill orders from their distributors. The distributors consequently cannot supply their customers, the food producers and food transporters of south Texas.

Their need is imperative. Their need is now. I cannot see, nor has anyone given me any assurance, that this bill will provide the necessary fuel in a fair and equitable manner.

Mr. HOGAN. Mr. Chairman, I intended to offer an amendment to this bill to insure that firetrucks receive adequate fuel, but the Federal Energy Agency has already provided in its allocations for such emergency vehicles.

In light of the serious energy crisis that faces us, I was concerned that all segments of our society receive just and equal treatment in any measure taken to conserve our energy supplies.

The safety and well-being of our citizens must be of paramount concern. There are certain functions which are vital to the safety of our cities and communities and one of paramount importance is our fire departments.

In a recent instance in Washington County, Md., a firetruck pulled into a gas station and was only allowed $3

worth of gasoline. The consequences of this are evident. These large firetrucks receive approximately 1 to 3 miles per gallon on high test gasoline and it does not take much of a mathematician to figure out how far $3 worth of gasoline will get one of these trucks in the event of an emergency.

In addition, while these trucks are pumping water they must keep their engines operating. Most trucks have the capacity to run for 2½ to 3 hours before they need refueling.

Mr. Chairman, many steps have been advocated which would help conserve our energy supplies and I am hopeful that the passage of the bill before us today will take us still one step closer to meeting this goal. However, I am concerned that we do not act in haste and forget services which are vitally important to the safety of our cities and communities across the country. The functions performed by our firemen are a prime example.

Those members on the Interstate and Foreign Commerce Committee saw the need to include a provision which would make it a civil violation to deny fillups to trucks on cargo runs. This is understandable when one considers the role that these trucks play in keeping our economy moving.

However, the firemen of this country play a significant role in insuring the safety of our homes, businesses, schools, and other community buildings.

I am pleased that provisions will be made for them. I hope, however, that adequate provision should be made to insure that volunteer firemen are given ample fuel for their personal cars so that they can respond to fires.

Mr. BLACKBURN. Mr. Chairman, today the House of Representatives is considering the National Emergency Energy Act of 1973. This legislation will have a far-reaching effect upon the lives of all Americans. For the first time in our history, the Congress proposes to grant to the President and the Administrator of the newly created Federal Energy Administration the power to regulate an important facet of our business and personal lives regarding our use of energy. Under the bill which we are today debating, the Administrator could shorten the hours businesses are open and could decide how much fuel any individual can receive for any of the many purposes for which we as individuals use energy.

I am sure that if these were normal times many of the Members who will so strongly support this legislation would rebel at the invasion of individuals' privacy as well as the rights which should be left to the discretion of State and local governments. However, the energy shortage which we are facing is not a normal occurrence.

All Members of this body have received numerous communications from their constituents informing them of their preference for either rationing, placing a tax on energy products, or allowing prices of these products to rise in order to allocate them.

I have given a great deal of time and thought to this problem. Needless to say, we will find it necessary to begin curtailing consumption of petroleum products. It has been our previous national experience, except in times of war, to expect and receive a constant expanding supply of petroleum in order to meet our demands for these products. We will undergo considerable discomfort while adjusting to a reversal of this previous experience. Such a reversal will not be easy to accept and will not be made without readjusting our ways of doing business. The standards of comfort and convenience to which we have all become accustomed will be reduced. I share the concern of many of my constituents that no particular facet of our economy should be forced to bear the total burden that is being forced on our society because of our petroleum supply problem.

Those who advocate rationing feel that this method will assure that equal distribution of products to all segments of our society is granted. Frankly, I feel that if we should come to rationing, we will find the heavy hand of Government making arbitrary and sometimes questionable decisions as to true necessity versus pure luxuries and all of the gradients between them. Such judgment would be broad ranging and enforced with the power of law. Individuals and industries adversely affected by Government decisions will find themselves in a hopeless contest with the massive power of the Federal Government against them.

I shudder when I think of the very expensive bureaucracy of administrators and policemen which would be required under rationing. The cost of this bureaucracy would have to be paid by the American people and they will not receive any direct benefit from this investment. In my own opinion, rationing will only decrease the incentive to produce while causing serious disruptions in the economy. Recent experiences with wage and price controls should clearly demonstrate that such Government interference only leads to shortages, inequities, and severe economic disruptions. Such distortions occur because Government decisions are dictated by political pressures many times rather than good business or economic considerations.

It is my feeling that the price mechanism operates best. The best allocator of resources is the price mechanism under a free market economy whether the resources be beef, bread, or petroleum. Under the price mechanism, we each determine those resources which are vital and necessary to us and which resources are necessary for our comfort and leisure. I believe that the price mechanism is more than adequate to allocate our fuel products and see no reason at the present time for the Federal Government to place an additional tax to allocate petroleum on the American people when we face the prospects of a serious economic decline because of the energy shortage. A very persuasive argument in allowing prices to rise is the fact that prices will serve as a stimulus for increased production. Thus, the price mechanism will serve to stimulate supply while rationing with controlled prices will do nothing to improve the supply.

Frankly, I do not think that prices of petroleum products are going to become so high that any productive citizen will not be able to secure gasoline for his necessary uses. Increased prices will limit use and help eliminate waste. When we pass any high school in America we can see 50 to 100 automobiles that are being driven by students who could have ridden the bus. This only reinforces my belief that we have not become frugal in the use of this vital resource.

Of course, if the price of gasoline increases, the cost of doing business for anyone who uses gasoline in their business would unavoidably be increased which means that the cost of providing their services to the public will be increased. In short, we will have to make some readjustments.

We are bidding for petroleum resources on the world markets against the English, Germans, French, Italians, and Japanese. As they bid higher for these resources from the oil-producing states, we must be prepared to meet their bids, or we will not receive these resources. There is no way that we can insulate ourselves from the influence of world market forces.

The catalyst for bringing this whole problem to public attention was the cutoff of fuel supplies by the Arab nations. The actual loss of fuel from the Middle East will probably come close to 17 percent of our total consumption. We directly imported from the Middle East only 5 to 7 percent of our petroleum products. However, we have been receiving from Western Europe refined petroleum products which had their origin in the Middle East. The loss of these refined petroleum products from Europe, indirectly coming from the Middle East, has considerably aggravated our energy problems.

Many people have advocated that we should withdraw our support from Israel in order to satisfy the oil-producing states of the Middle East and thus receive needed petroleum products. In light of the fact that the United States was instrumental in the establishment of Israel, along with many other nations, I believe that we have an obligation to the Israelis to help them maintain their existence. I am hopeful that present diplomatic initiatives will result in the Arab States recognizing that Israel has a right to exist and that the borders involved can be adjusted in such a way to provide security for all the nations involved.

It has been suggested that the United States should cut off the export of food grains and other materials to Middle East oil-producing countries in order to force them to make shipments of petroleum to us. The oil-producing countries have large monetary reserves and essential commodities and what they can buy from us can currently be purchased from other sources in the world.

Discussions have been given to the fact that the United States is still exporting petroleum products. In fact, the amount being exported represents only one-tenth of the amount being imported. Thus, if you should stop exporting, other nations could retaliate and we would lose ten barrels for each ten barrels that we might save. Obviously, such a move would not be to our national advantage. Further-

more, for the most part, products being exported are going into Canada and Mexico to serve their border areas as a matter of convenience because their refineries will not normally serve these areas. Both of these countries are exporting to the United States far more than they are importing from us.

I am somewhat encouraged by reports that our consumption of energy for the first time in history has shown a decrease during the past month. This indicates that all of us, whether businessmen or individuals, are making adjustments in our consumption habits so as to insure that we receive the greatest benefit from our energy sources. I have noticed fewer cars on the roads on weekends and those on the highways are driving at a reduced speed as compared with even 3 months ago. Lights are no longer prominent in our places of business or highways. Reports from gas and electric companies indicate that people are cooperating in turning back the thermostats in our businesses and homes. All of these conservation measures being practiced by us will have a healthy cumulative effect. Most important, the fact that the American public is accepting these practices indicates that once again they are willing to share necessary burdens for the common good of all of us.

Mr. CAREY of New York. Mr. Chairman, H.R. 11450, over which the House Commerce Committee and the House itself have worked diligently, is a fairly good bill, under the circumstances. But it remains a patchwork—an effort to design emergency legislation under emergency conditions, with little or no cooperation from the executive branch—and certainly no leadership. As I said in my recent remarks during debate on the trade bill, this administration's track record on energy is "dismal—unparalleled."

I shall vote for the bill, because it is the best we could come up with on such short notice. It is an effort by the Congress, starting from scratch, to devise ways and means of confronting the energy crisis and winning. No interest and leadership escaped from the White House on this bill—no great concerted and coordinated effort to marshal the intellectual forces of the vast executive branch could be noticed by the committee during their herculean efforts.

Mr. Chairman, this bill should pass. We need it, and we need it now. I realized that the initiative on this issue must come from the Congress and for that reason introduced H.R. 11505, the House companion bill to Senator JACKSON's bill in the Senate. However, there is much we should be studying and investigating in our efforts to continually improve this bill and others addressing our energy supply and research problems.

As a member of the Ways and Means Committee's task force on energy, I shall be looking into methods of improving our supply of imported petroleum and refined products and in developing a common position of solidarity with which the oil-consuming nations can face the blackmail of the OPEC nations.

Also as cochairman of the Democratic Study Group's task force on energy, along with my friend and colleague, Congressman MCCORMACK of the Joint Committee on Atomic Energy, I shall be looking for ways in which the United States, through our technology and scientific know-how, will be able to reinstate our research and development leadership, so the world will again beat a path to our doors, to share in the wealth of new energy we shall unlock from oil shale, coal gasification, nuclear, solar, and geothermal sources.

It is in this way that we shall be able to continually improve this new series of energy laws—tailoring them gradually to meet the challenges ahead. They will work now, but these laws will work even better in the future.

Mr. Chairman, in my efforts within both the Ways and Means Committee and the DSG task force, I shall feel fortunate that I have such a long and close relationship with my good friend and colleague, Senator JACKSON, chairman of the Senate Interior Committee—the "energy" committee of that body.

With his leadership and that of Chairman STAGGERS, the Congress will improve on this legislative energy fabric before us. We shall devise a new weave—one strong and resilient—one that shall withstand the tensions and challenges that this Nation faces in the months and years ahead. But that challenge shall find that fabric of national purpose and resolve a tapestry of American life—and each thread of each individual citizen sacrifice will make both the pattern and the strength.

Ms. HOLTZMAN. Mr. Chairman, I rise in support of the amendment—which seeks to limit the bill's antitrust exceptions for oil companies—offered for the distinguished chairman of the Judiciary Committee (Mr. RODINO).

I am amazed at those who want to create for the oil companies broad exceptions from the antitrust laws in the middle of this energy crisis. For as the Federal Trade Commission's recent study shows, the energy crisis is in part a result of anticompetitive practices by the oil companies. Thus if we want to remedy the shortages caused by monopoly-type practices it is imperative that we strengthen enforcement of the antitrust laws against the oil companies rather than relax them as the committee bill seeks to do.

For this reason, I support Mr. RODINO's amendment, although I would have preferred even stronger provisions.

I am, however, somewhat troubled that the Department of Justice will have to enforce the provisions of this amendment. We cannot close our eyes to the fact that the Nixon administration's Justice Department has taken virtually no action against the anticompetitive practices of the oil companies. Nor can we close our eyes to large and sometimes illegal contributions made by major oil companies to President Nixon's campaigns. Can we really expect from this Justice Department the kind of impartial, forthright enforcement of the antitrust laws we so desperately need at this time? Can we really expect from it the proper policing of the limited exemptions to the antitrust laws created in this amendment?

We can take some heart, however, from the fact that the amendment's places equal policing powers in the hands of the Federal Trade Commission.

If this amendment is adopted, these two agencies will have an enormous responsibility to prevent the consumers and small businesses of this country from being fleeced further by the actions of the major oil companies. I earnestly hope that they will carry out this public trust with the energy and impartiality it deserves.

Mr. DRINAN. Mr. Chairman, the Emergency Energy Act which is presently before us for consideration, is a good bill. This bill grants temporary emergency powers to the President to deal with energy shortages.

Title I of this bill amends the Emergency Petroleum Allocation Act, authorizing the President to designate priority users of petroleum products and to allocate petroleum products among those users. The vital services which receive the top priority include, quite properly, new housing construction, education, health care, hospitals, public safety, energy production, agriculture, and transportation services. In addition, title I requires the President to consult with the Department of Labor with regard to the impact on the Nation's unemployment of the energy shortage.

This title also establishes a Federal Energy Administration. This new, independent regulatory agency will collect information on the energy shortage and make legislative recommendations to the Congress.

Mr. Chairman, I and other Members of the House joined to defeat an amendment which sought to strike congressional control over Federal energy conservation plans. The bill's provision that the Federal Energy Administrator shall propose energy conservation plans to Congress within 30 days was attacked by those who would prefer that Congress not be able to amend such plans. I opposed the amendment because I did not want to give to this administration the absolute power to set all energy policy without regard to the congressional will.

I also opposed an amendment which had the effect of exempting the coal industry from vitally important provisions in this bill which would restrict the receipt of windfall profits by the giant energy companies. Unfortunately, the coal interests prevailed. Nonetheless, the windfall profit section of this bill provides that any person who believes that established prices would allow windfall profits to the giant energy producing companies may petition for a refund and have the Renegotiation Board establish a new sales price which prevents such profits.

I supported the Rodino amendment to this bill which passed by a great margin. The bill as it came to the floor contained provisions exempting oil companies and retail business establishments from Federal, State, and local antitrust laws. As drafted, this bill would have permitted producers, refiners, marketers, and distributors to enter into agreements among themselves governing the retail marketing and distribution of petroleum products. I opposed, along with a majority of the Members of this House, this

enormous grant of authority to large oil companies to enter into agreements which would be exempt from antitrust scrutiny.

I am hopeful that in our haste to adequately cope with the energy crisis, we shall not disregard the important environmental protections, such as air quality standards, that we have enacted. I, along with others, have serious misgivings and doubts about the wisdom of exempting actions taken under this bill from the requirements of the Environmental Policy Act of 1969 as called for in title II of this bill.

Mr. Chairman, section 123 authorizes the Federal Energy Administrator to restrict exports of fuels and energy sources, including petrochemical feedstocks. I have sponsored legislation in the House which will prohibit the export of any petrochemical feedstocks until the Cost of Living Council removes the price control regulations on petrochemicals. It is absolutely necessary for the Cost of Living Council to remove its price control regulations on petrochemicals. I shall call upon the Federal Energy Administrator, as soon as this bill is enacted, to do all in his power to stop the export of petrochemical feedstocks which has been so damaging to our plastics industry. The plastics industry in this country has been asked to bear the burden of the shortsighted price controls of the Costs of Living Council.

Mr. Chairman, the administration wants to hire 250 oil company executives to help implement the Emergency Energy Act. I will oppose any amendment which exempts these oil company executives from Federal conflict-of-interest laws. If oil company executives want to join in the effort to come to some sensible decisions on energy policy, then they should be willing to give up their extremely lucrative jobs to help solve the crisis which they and their companies helped create. Nothing could be less appropriate than having highly paid oil company executives participate in decisions which will affect the supply and distribution of the petroleum companies to whom they owe their primary allegiance. Exempting these executives from conflict-of-interest laws would give them a one-way ticket to what could be the final raid on the American people by the giant oil companies.

I am hopeful that this bill will be a major step forward to achieving a meaningful national energy policy worked out with the cooperation of the Congress and the executive branch.

Mr. STAGGERS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, 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. 11450) 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, had come to no resolution thereon.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill under consideration today.

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

There was no objection.

HOUR OF MEETING ON FRIDAY, DECEMBER 14, 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, Friday, December 14, 1973.

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

There was no objection.

A MAN TO REMEMBER

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

Mr. VAN DEERLIN. Mr. Speaker, in these sorry times, the once laudable calling of public service is suffering from a severe black eye.

The antics in office of some of our high officials have generated skepticism about not only individuals but the entire breed.

Luckily for all of us, there are still men and women whose performance and integrity in the offices they hold cannot be seriously questioned.

One such person is Nicholas Johnson, who stepped down last week after a stormy 7-year term on the Federal Communications Commission. Before that, while still in his early thirties, he put in 3 years as Federal Maritime Administrator.

In both these roles, Mr. Johnson consistently distinguished himself as an ardent, outspoken, and articulate defender of the public interest.

Important segments of the broadcast and maritime industries often have been at odds with Mr. Johnson, but they recognized in him a formidable and entirely honest opponent.

Nick's farsighted thinking, his eloquent dissents, just naturally attracted attention in Congress and the courts.

While serving on the Communications Commission, he was instrumental in developing and promoting policies to foster dialog between broadcast licensees and the public, to allow for the orderly growth of cable television and the use of domestic satellites, to check broadcast and telephone monopolies and to take some of the hard-sell off the airwaves and replace it with more public-interest programing.

Like many of my colleagues in Congress, I have occasionally disagreed with Mr. Johnson's opinions and sometimes with his style. Happily, the time is not yet in America when we der.and conformity as the price of respect. Against the cynicism that seems to surround governmental institutions, Mr. Johnson has served us all well—even those on the other side of the ideological fence.

He never forgot that his most important client was the public, and all his actions over the years reflected this firmly held tenet.

We need more men of Nick Johnson's caliber in public life. I hope and expect he will return soon.

PROPOSED AMENDMENT TO ENERGY EMERGENCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BAKER) is recognized for 5 minutes.

Mr. BAKER. Mr. Speaker, in compliance with rule XXIII of the House of Representatives, I am submittting for the RECORD an amendment I intend to offer at the appropriate time to the Staggers substitute for H.R. 11450.

Following is the text of the amendment which I will support by explanation at the time of presentation:

Amendment to be offered by Mr. BAKER, of Tennessee, to the amendment (H.R. 11882) in the form of a substitute offered by Mr. STAGGERS, of West Virginia:

On page 15, strike lines 13 and 14 and insert in lieu thereof the following:

"(d) Coal production authority.—The Administrator may take such actions as are necessary to assure an adequate supply of coal to attain the objectives of this section, including, but not limited to, the granting of exemptions from provisions of the Economic Stabilization Act which inhibit the ability of coal producers to obtain the necessary equipment and personnel for production and distribution of coal; and the granting of exemptions, on a case-by-case basis, from provisions of the Federal Coal Mine Health and Safety Act, in such cases as mines located above the water table or in which methone has not been detected as prescribed in section 303(h) of such Act, where it has been determined (1) that such provisions substantially reduce the ability of the producer to provide necessary supplies of coal in an economical manner, and (2) that the exemption will not materially affect the health and safety of employees of that producer."

"(e) Expiration.—The authority under this section (other than subsections (b) and (d) shall expire on May 15, 1975."

POSSIBLE IMPROPER TAX DEDUCTIONS OF THE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 20 minutes.

Mr. VANIK. Mr. Speaker, in further analyzing the tax figures submitted by the President to the American people, several glaring questions become apparent.

It appears that for the 4 years in question, the President took deductions for costs incurred in the use of property for official purposes at his San Clemente and Key Biscayne vacation homes. Apparently, the deductions were for periods when he used his home for the conduct of official business. In his report, the President took a total business use de-

duction for his San Clemente and Key Biscayne homes in 1969 for $11,285.67, and in 1970 for $13,964.38, in 1971 for $16,367.79 and in 1972 for $15,337.13. The grand total of business use deductions of his private homes total $56,954.97.

According to my calculations, the President spent 71 days at San Clemente and Key Biscayne in 1969, which provided him a tax deduction of $158 per day. In 1970, he was at his two vacation homes for 90 days for a daily tax deduction of $155. In 1971, he was at his two homes for a total of 95 days, receiving a per diem deduction of $172 per day. In 1972, the President spent "only" 69 days at the two vacation spots for a daily tax deduction of $222.

A tax deduction for the use of space in one's home for business purposes has been carefully regulated by the Internal Revenue Service, which, since 1962, has specified that one may take a business—use deduction if one has to work at one's residence:

An employee who, as a condition of his employment, is required to provide his own space and facilities for performance of his duties and regularly uses a portion of his personal residence for that purpose may deduct a pro rata portion of the expenses of maintenance and depreciation on his residence. *However, the voluntary, occasional,* or incidental use by an employee of a part of his residence in connection with his employment does not entitle him to a business expense deduction for any portion of the depreciation and expenses of maintaining his residence. Internal Revenue Bulletin 62–180, 1962–2, C. B. 52 (emphasis added.)

The Internal Revenue ruling also states that in claiming a business use tax deduction, one can take a "pro rata portion of such items as rent, light, taxes, and interest on mortgage." "Expenditures for lawn care, landscaping, et cetera, are not deductible." In reporting on the President's Sunday release of tax information, some newspapers reported he took deductions for gardening.

The President of the United States is certainly entitled to live and to work wherever he likes. The Government provides him with the White House and Camp David, and as Commander in Chief, he is entitled to live and work in any American military establishment in the United States. Therefore, personal tax deductions for voluntary visits to his personal, vacation homes seem highly questionable.

A September 1973 tax court decision—*Stephen A. Bodzin* v. *Comissioner of Internal Revenue*—Tax Court, Docket No. 1104–71—expands the interpretation on the use of space in one's home for business purposes. The Federal attorneys argued against this decision on the basis of the 1962 Revenue ruling. As far as the IRS was concerned, the Revenue ruling was the law.

The new decision, now under appeal by the IRS, was not operative for the period in which the President made his business use deductions. Therefore, at the time that the President claimed the deduction, it appears that he was not entitled to claim the deduction for the years in question. Moreover, the IRS continues to oppose the type of deduction taken by the President. The September tax court decision cannot, in my opinion, make the President innocent of a tax deduction that may have been improper at the time he claimed it.

It may be that the President took the business use deduction on the basis of special tax rulings. If the President is the beneficiary of a private and secret IRS tax ruling for his deductions, the IRS has the duty to place such a ruling in the record.

Further, the President says that he has cleared his tax returns with the Internal Revenue Service. I do not understand how this can be possible when the IRS is opposing in court claims of similar deductions by ordinary taxpayers.

I am accordingly requesting the IRS to advise whether any taxpayer can claim a deduction for the business use of space in his home, where such utilization is voluntarily undertaken or casual, under the tax laws and regulations as they existed prior to 1973.

I would like to enter in the RECORD at this point a copy of the Tax Court decision now under appeal:

[U.S. Tax Court, Docket No. 1104–71, filed Sept. 4, 1973]

STEPHEN A. BOZDIN AND TANYA K. BOZDIN, PETITIONERS VERSUS COMMISSIONER OF INTERNAL REVENUE, RESPONDENT

In 1967 the petitioner-husband was a Government attorney. In connection with his business he found it helpful to maintain a small office in his apartment. There, in the evenings and on weekends, he frequently worked on his cases and studied current legal developments. The maintenance of his home office was not required by his employer; nor was it, in a strict sense, required by the nature of his employment. But it was directly and closely related to his business. His employer provided office facilities, and these facilities were available to petitioner at all times—evenings and weekends included. Petitioner lived approximately 20 to 30 minutes by car from his employer's offices. His use of the home office to some extent served his own convenience, but it was also more efficient.

Held, petitioner is entitled to deduct the reasonable, actual cost of his home office as an ordinary and necessary business expense under section 162, I.R.C. 1954.

John J. Yurow, for the petitioners.

Steven G. Goldstein and Robert S. Erickson, for the respondent.

DAWSON, Judge: Respondent determined a deficiency in petitioners' Federal income tax for the year 1967 in the amount of $87.78. The only issue presented for our decision is whether petitioner Stephen A. Bodzin is entitled to deduct a portion of the cost of one room in his apartment as a business expense because of the use of the room as a home office. The issue is argued within the context of sections 162 and 262, Internal Revenue Code of 1954.

FINDINGS OF FACT

Some of the facts have been stipulated. The stipulation of facts and the exhibits attached thereto are incorporated herein by this reference.

Stephen A. Bodzin and Tanya K. Bodzin (the petitioners herein) are husband and wife whose legal residence was in Alexandria, Virginia, when they filed their petition in this proceeding. They filed their joint Federal income tax return for taxable year 1967 with the district director of internal revenue at Richmond, Virginia.

During the entire year 1967 Stephen A. Bodzin (hereinafter referred to individually as petitioner) was employed as an attorney-adviser in the Interpretative Division, Office of the Chief Counsel, Internal Revenue Service. The Interpretative Division prepares legal opinions for the guidance of officials and employees of the Internal Revenue Service; reviews rulings or opinions referred to the Office of Chief Counsel by the Office of the Assistant Commissioner (Technical); reviews or assists in preparing mimeographs and press releases when referred to the Chief Counsel's Office for consideration; reviews and edits revenue rulings which are to be published; reviews closing agreements; and assists in maintaining digests of the opinions of the Chief Counsel. In short, the primary function of the Interpretative Division is to be a lawyer for the Commissioner of Internal Revenue. The work of the Interpretative Division has an appreciable effect on the interpretation and administration of the Federal tax laws.

Petitioner's duties as an attorney-adviser included the following: He worked on proposed ruling letters and published rulings, requests for technical advice referred to the Office of Chief Counsel by the Assistant Commissioner (Technical), and requests from other divisions within the Office of Chief Counsel for an opinion with regard to particular tax law problems. Although petitioner had been employed for only 6 months at the beginning of 1967 and his relative inexperience was at first taken into consideration by his supervisors, he was assigned a wide variety of important and complex legal problems. When assigned a problem he would first read and review the request and administrative files and proceed to analyze the facts and issues involved. Next he would research the problem extensively, using the references available in his own office area, the Chief Counsel's library, the Interpretative Division Digest Section, and such other sources as were available to him. He also conferred with others, such as reviewers, officials of the Service, and taxpayers' attorneys, to obtain their views and additional information. At the conclusion of all this, the petitioner would ordinarily draft a proposed memorandum—sometimes called a General Counsel Memorandum or G.C.M.—containing his final judgment of the problem. He might make several drafts of a G.C.M. before producing one that he was satisfied with. A proposed G.C.M. was reviewed carefully and thoroughly by his supervisors. Sometimes the petitioner would also prepare a "side memorandum" to accompany his draft of the G.C.M.

The duties of an attorney in the petitioner's position required mature judgment and an ability to apportion one's own time and workload. Petitioner generally worked independently, without day-to-day supervision, receiving guidance only when requested or when guidance was deemed necessary.

It was the policy of the Interpretative Division to complete its cases as expeditiously as possible, the quality of the work performed on each case being emphasized above all else. No specific number of cases was required to be completed at the end of a given week or month. Attorney Production Reports were, however, required. Each week the petitioner filled out one such report showing the number of cases disposed of in the preceding week, the number of cases on hand, and the number of 60-day cases and expedite cases on his docket. The report also listed the date on which each case was received by him, the date on which he expected to

begin work on the case, the date on which he actually began work on the case, and the target date by which he expected to finish the case. Petitioner was given the responsibility of setting his own target dates. They were supposed to be realistic ones. However, he could, and often did, extend them. So-called "expedite" cases were to be completed within a short period of time. Though rare, petitioner did receive and work on some expedite cases.

It was not the policy of the Interpretative Division to request its attorneys to work overtime. Accordingly, petitioner was not required, requested, expected, or encouraged to work after normal working hours (9 a.m. to 5:30 p.m.).

Nevertheless, petitioner's duties and responsibilities were of such a nature that he frequently deemed it desirable to work overtime in order to meet deadlines, self-imposed or otherwise, and to insure that work was performed to the best of his abilities.

In addition, petitioner liked to use evenings and weekends to read widely about current developments in the tax law. He would spend hours reading such things as advance sheets of various Federal tax services and Tax Court opinions. Petitioner was not given any additional compensation for overtime work since his salary was regarded as covering all job-connected work regardless of the number of hours devoted thereto.

During 1967 the petitioner, his wife and one child lived in an apartment in Alexandria, Virginia, across the Potomac River from Washington, D.C. The apartment consisted of a living room, dining room, kitchen, two bedrooms, two bathrooms, and a study or den. The study was a separate room, approximately 8 feet by 12 feet in size. It was furnished with a large desk, a desk chair, several book cases, several cabinets, and several lamps. The bookshelves contained, among other things, a one-year-old looseleaf tax service, a set of Seidman's Legislative History of the Income Tax Laws, and various tax treatises and lawbooks. There was no other furniture or appliances in the room. The room was not used when entertaining visitors and was generally not used by anyone except the petitioner. He used the room as his home office.

Petitioner occasionally used the room for purposes unrleated to his business, including payment of bills, reconciliation of monthly bank statements, and stamp collecting. He stored in the room personal papers, his stamps, and his personal library. To this was added some of his wife's personal library.

Petitioner usually worked in his home office two or three evenings during the week and for 3 to 5 hours on weekends. He worked on cases and other matters assigned to him and read about recent developments. With respect to his cases, he would rely sometimes on reference materials of his own stored in the study and sometimes on materials that he had photocopied and brought home. He frequently worked on the first draft of memoranda while at home in his home office. He would often prepare for upcoming conferences while there.

During 1967 the petitioner customarily traveled the 10 miles to and from work in a car pool that left the Federal Triangle area of downtown Washington, D. C., shortly after 5:30 p.m. Therefore, whenever petitioner found it desirable to work past the normal working hours he was faced with the following three choices: (1) Go home with the car pool and return to the Internal Revenue Service offices after dinner; (2) use public transportation or call home for a ride after working late at the Internal Revenue Service offices and eating dinner downtown, eating no dinner, or postponing dinner until arriving at home; (3) bring work home to his home office. In such situations petitioner almost invariably chose to bring the work home because it was more convenient to do so and because he thought it was more efficient. It enabled him to make better use of his car pool and to spend more time with his family.

The Internal Revenue Service offices are located at 1111 Constitution Avenue in downtown Washington, D.C. Petitioner was provided an office in that building. At all relevant times his office in the Internal Revenue building was heated and air-conditioned 7 days a week, 24 hours a day. If he had chosen to do so, the petitioner could have worked comfortably in his Internal Revenue Service office in the evenings and over weekends and holidays. The Internal Revenue building was, and is, at all times open to persons having the proper security clearance and identification. Petitioner always had both.

Petitioners paid a total of $2,100 in rent for their apartment in 1967. Having determined that $100 of this amount was allocable to the use of their study as a home office, they deducted the $100 as "business expenses deductible under sec. 162"—an itemized miscellaneous deduction. Respondent disallowed the claimed deduction.

ULTIMATE FINDINGS

1. Petitioner's use of his home office was appropriate and helpful to the performance of his duties as an attorney for the Internal Revenue Service.

2. Petitioner's expenses of maintaining his home office in 1967 constituted ordinary and necessary business expenses.

OPINION

Petitioner contends that the claimed deduction is an ordinary and necessary business expense under section 162(a). Respondent, while in no way challenging the correctness of the amount involved, would disallow the deduction on the ground that the expense "was not required in order for the Petitioner to properly perform his employment duties." According to respondent, the petitioner must prove "that the nature of his duties required working after normal working hours and that his employer failed to provide him with an office that was adequate and reasonably accessible for the performance of such work." Respondent argues that the petitioner fails to establish his right to the claimed deduction when it appears that he "voluntarily chose to work after normal working hours and that he [petitioner] performed such work at home rather than at the office of his employer solely because of personal reasons." Alternatively, respondent argues that the expense incurred was an expense of his employer (the Internal Revenue Service) which petitioner voluntarily assumed; therefore, it cannot be deducted by petitioner.

With respect to his primary ground, respondent attempts to rehabilitate Rev. Rul. 62–180, 1962–2 C.B. 52, which laid down guidelines for determining the deductibility of home office expenses and for figuring the amount of such expenses. The ruling states that one requirement for deductibility is "that, as a condition of his employment, he [the taxpayer] * * * [must be] required to provide his own space and facilities for performance of some of his duties." Respondent has argued in the past that this means that the employer, if one exists, must require that the taxpayer provide his own facilities. *Newi* v. *Commissioner*, 432 F. 2d 998 (C.A. 2, 1970), affirming a Memorandum Opinion of this Court. Compare *Harold A. Christensen*, 17 T.C. 1456 (1952), (promotion and entertainment expenses paid by a drug company field manager); *John J. Ide*, 43 B.T.A. 799 (1941), (travel and entertainment expenses paid by a Government employee); *David J. Primuth*, 54 T.C. 374 (1970), (employment agency business). This argument has been previously rejected. *Newi* v. *Commissioner, supra*. Respondent now hastens to point out that, although parts of the ruling are misleading, "the examples set forth in Rev. Rul. 62–180, supra, make it clear that the term 'required as a condition of employment' means required in order to properly perform the employment duties." We think this approach is also unsatisfactory in that "required" can be interpreted strictly as meaning "absolutely essential" or "absolutely necessary" and such an interpretation leads to the imposition of a standard which is too strict. Therefore, we likewise reject the rehabilitated version of this ruling.

Respondent makes further use of the revenue ruling in connection with a correlative argument. He contends that "[W]here the work was done at home only as a matter of convenience in spite of adequate office facilities, the deduction is properly disallowed." This argument is illustrated by example (4) of Rev. Rul. 62–182, *supra* at 56. The argument and the test that it seeks to establish are too broad. The test could be made to work, however, if the word "only" was emphasized, but we need not fiddle with it since a better test already exists.

The applicable test for judging the deductibility of home office expenses is whether, like any other business expense, the maintenance of an office in the home is appropriate and helpful under all the circumstances. *Newi* v. *Commissioner supra*; *LeRoy W. Gillis*, T.C. Memo. 1973–96. That the maintenance of the home office can be characterized as "a matter of convenience" due to the existence of duplicate employer-provided facilities does not void the conclusion that the expenditure is appropriate and helpful. A finding that the home office was simply for the taxpayer's personal convenience would bar the deduction if the Court concluded that personal convenience was the primary reason for maintaing the office. Such a finding would displace any conclusion as to "appropriateness" and "helpfulness." Of course, a finding of bad faith on the part of the taxpayer, i.e., that he sought only to manufacture a deduction, would also be decisive in favor of the respondent's determination.

In this case there is no question as to the good faith of the petitioner or the reasonableness of the amount. Cf. *Commissioner* v. *Heininger*, 320 U.S. 467 (1943). We have found as an ultimate fact, on this record, that the expenses at issue were directly related and pertained to his business—that of a Government attorney. It makes no difference that the petitioner was not required to maintain a home office, that he wanted merely to do a good job, and that he liked his work. The expenses were "necessary" because they were appropriate and helpful in the conduct of his business. They enabled him to keep a facility in his home wherein he could, and did, work. See *Newi* v. *Commissioner, supra; Blackmer* v. *Commissioner*, 70 F.2d 255 (C.A. 2, 1934). They were "ordinary," and not capital, in nature. See *Welch* v. *Helvering*, 290 U.S. 111 (1933); *Commissioner* v. *Tellier*, 383 U.S. 687 (1966). Accordingly, we hold that the home office expenses of this petitioner fall within section 162 and outside section 262.

With respect to respondent's alternative argument, it is our view that the home office expenses of the petitioner were not the responsibility of the Internal Revenue Service; that petitioner had no right to reimbursement for such expenses; and, con-

sequently, he did not voluntarily assume them.

Reviewed by the Court.

Decision will be entered under Rule 50.

RAUM, J., did not participate in the disposition of this case.

SCOTT, J., dissenting: Even though I recognize that the authorities cited in the majority opinion, particularly the memorandum opinions referred to therein, support the conclusion reached, I respectfully disagree with that conclusion since in my view the use by an employed lawyer of a part of his home for doing professional reading and some written work for his employer does not change the personal expense of rental of a home to a business expense. Under the holding of the majority opinion, there would certainly be no professional person, and very few if any business people, who would not be entitled to deduct as a business expense some portion of the cost of rental of a home or the maintenance of a house since the great majority of such persons do professional reading and written work for themsleves or their employers in their homes. In fact, this is probably true of the majority of persons interested in their work regardless of the type of work tney do unless their work is purely mechanical in nature. In my view it was never the intent of section 162 to change the personal expenditure of a taxpayer for a home for himself and his family into a business expense merely because that taxpayer is sufficiently interested in the work in which he engages to do some work in his home.

DRENNEN and FEATHERSTON, JJ., agree with this dissent.

FEATHERSTON, J., dissenting: I respectfully dissent. Section 162(a) allows as a deduction "all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business." In my opinion, the rental expenses here in issue were not paid or incurred in carrying on any business. Rather, they were paid by petitioner in providing a home for himself and his family and are nondeductible "personal, living, or family expenses" under section 262.

In my view, it is beside the point that petitioner's overtime work or his use of his home office was "appropriate and helpful to the performance of his duties as an attorney for the Internal Revenue Service." That is not the issue. The question is whether the rental expenses were paid or incurred in carrying on petitioner's business. And there is nothing to show that he would not have incurred these same rental expenses (or that his rent would have been less) if he had found it more convenient to do his overtime work at the office provided and maintained for that purpose by his employer.

Surely the Commissioner would not be heard to claim petitioner received additional taxable income if he used his Internal Revenue Service office for such personal purposes as storing his golf clubs, keeping his umbrella or raincoat available for a rainy day, eating his lunch, taking personal telephone calls, etc. Such uses are merely incidental to the business use of the office. Similarly, petitioner's use of a room in his apartment for a few hours of overtime work each week is merely incidental to the purely personal purpose for which the rent was expended.

I am aware that language tending to support the majority appears in some prior opinions on home offices and that the Commissioner's action in this area has not always been consistent. But to say, as does the majority, that the applicable test for judging deductibility of home office expenses is whether "the maintenance of an office in the home is appropriate and helpful under all the circumstances" does not provide a practical guide. Indeed, in my opinion, that test confuses petitioner's personal convenience in doing overtime work with the purpose for which his rent was actually paid. Where it is not shown that rent was paid for the purpose of acquiring home office space—in addition to the rent otherwise required to obtain living quarters—the reasoning of Fausner v. Commisisoner, U.S. (1973), clearly suggests that a deduction is not allowable under section 162(a).

DRENNEN, J., agrees with this dissent.

QUEALY, J., dissenting: Section 162 provides for the deduction of "the ordinary and necessary expenses" paid or incurred by a taxpayer in carrying on his trade or business. In my opinion, the deduction in question was neither "ordinary" nor "necessary." The petitioner was a salaried employee of the Internal Revenue Service. He was neither required, nor did his superiors expect him, to do any work at his place of residence.

This is not a situation in which the petitioner actually transacted any business from his residence. Taking his testimony at face value, the principal so-called business use of the petitioner's "study" was limited to reading upon current tax reports and keeping abreast of developments in his field, an avocation which might improve his skills, but where, when, and to what extent he engaged therein was solely a matter of personal choice and convenience. He could have done as much at the dining room table.

While the amount claimed as a deduction is hardly significant, I would regard it as the "nose of the camel."

It is a common practice for lawyers, doctors, engineers, and other profesisonals who have any interest in attaining excellence in their profession, to read up on technical publications and other informative materials outside of their normal working hours. Such a practice hardly justifies claiming some part of the cost of the residence as a trade or business expense within the meaning of section 162. It is solely a matter of personal choice and convenience, to which I would apply the same rules which have recently been affirmed by the U.S. Supreme Court with respect to a taxpayer's expenses of driving to and from his job. See Donald W. Fausner v. Commissinoer, — U.S. —, June 25, 1973, affirming 472 F. 2d 561 (C.A. 5, 1973). In order for such an expense to constitute an allowable deduction, I would require as a minimum proof on the part of the taxpayer that the space claimed to have been devoted to this purpose in the residence of the taxpayer would not have ben acquired except for such purpose.

DRENNEN, J., agrees with this dissent.

ENERGY CONSERVATION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 10 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, I am pleased to note that included in section 105 of the Energy Emergency Act (H.R. 11450) is language I offered during our committee's consideration of this measure to define the term "energy conservation plan" to include "priority allocation plans for energy conserving recyclable raw materials for use within the United States."

As I explained to the committee, the primary recyclable raw materials my amendment is intended to deal with are ferrous scrap and nonferrous metal scrap.

Ferrous scrap requires substantially less energy to convert to steel than iron ore. A recent article in the American Metal Market reports a speech by E. F. Andrews, vice president of Allegheny Ludlum Industries, Inc. in which he calls attention to the tremendous loss of energy by permitting significant exports of ferrous scrap. Andrews stated that the energy required to convert ferrous scrap into an ingot ton of steel is 5.5 million Btu's. When scrap is not available and iron ore is used, it requires 18 million Btu's to produce an ingot ton of steel—a difference of 12.5 million Btu's of energy. Ferrous scrap exports this year will total a record high of almost 12 million tons. Andrews calculates that this represents 150 trillion Btu's of energy, equal to 6 million tons of coal, 25.5 million barrels of oil, 44 billion kilowatt-hours of electricity or 150 billion cubic feet of gas.

Constituents of mine from the steel industry, foundries and the United Steel Workers of America have over the past year been expressing growing concern over the growing scarcity of ferrous scrap caused by record exports at a time of unprecedented domestic demand. Both domestic consumption and exports of ferrous scrap are at record highs. This year it is estimated that total consumption will reach 55 million tons, with almost 12 million of this in exports. In the past 5 years the average total of exports and domestic consumption has been 43 million tons. The Department of Commerce estimates domestic demand in 1974 at a record 48 million tons and foreign demand at 18 million tons—a total of 66 million tons. This is an increase of 20 percent over this year and 46 percent over 1972.

This constantly rising demand for ferrous scrap will continue due to the increasing use by the steel industry of the electric furnace process which uses ferrous scrap as the exclusive basic raw material.

During this period of sharply rising domestic demand for ferrous scrap, exports have risen from 6.3 million tons in 1971, to 7.4 million tons in 1972, to an estimated figure of almost 12 million tons this year.

The short supply of ferrous scrap has been well demonstrated by the record high prices. Over the past 12 months prices have doubled. For example, the weekly composite price of No. 1 heavy melting scrap was $80.33 a ton on November 23 compared with $39 a year ago. Scrap prices are volatile and accurately reflect supply and demand. The supply picture is extremely serious and getting worse, not better.

Foundries and steel plants now fear that in 1974 there will not only be tight supplies, delays in receiving scrap and poorer quality scrap, but actual outages resulting in production cutbacks or stoppages.

It is incongruous that under such circumstances of unprecedented domestic demand and short supply, at a time we are told we must take drastic measures to save energy, that tremendous quantities of this scarce recyclable material are still being exported.

To dissipate precious recyclable raw

materials which can save us precious energy does not make sense in a period of energy crisis we face today.

NO TIME FOR PROFITEERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. CHAPPELL), is recognized for 5 minutes.

Mr. CHAPPELL. Mr. Speaker, most Americans are rallying to the fuel shortage with the same mettle and spirit in which they always seem to respond. They are taking individual responsibility to see that fuel is not waste—that they personally use less fuel—and this will have a favorable effect on our supply. Right here in the Washington, Virginia area, consumption was much less than expected for the month. This attitude portends good for the country.

There are those, however, who would profiteer from the fuel shortage we are experiencing. This is no time for profiteering. Let those oil companies who would profiteer be warned that they push nationalization of the oil industry—and this we do not want. Whatever it takes to protect our people from gouging—or from unnecessary shortages brought about by an oil industry too anxious for greater than fair profits—I believe the Congress will do.

SECRETARY SHULTZ OPPOSES CPA APPEAL POWER

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, as part of my continuing effort to gain insight from agencies that would be affected by the proposed Consumer Protection Agency, I have received a very informative letter from the Secretary of the Treasury, George P. Shultz.

Secretary Shultz states that his Department is "extremely concerned" over the adverse effect of granting such a CPA the right to seek to overthrow the major final decisions of his agency by taking the Department to court. Secretary Shultz's illuminating letter in opposition to granting the nonregulatory CPA such extraordinary power should make us all wonder at how the dangerous proposals for CPA appeal power ever got to be seriously considered by Congress.

APPEAL POWER A KEY QUESTION

As you know, the Senate filibuster led by Senator SAM ERVIN which killed all prospects of a CPA bill last Congress centered on the dangers of allowing the Government to "unfinalize" its own final decisions through the unusual medium of creating a nonregulatory Government agency to attack regulatory Government agencies in Government courts.

Right now, in a subcommittee on which I serve, we are considering three differing CPA bills, two of which would grant the CPA the right to appeal to the courts the final decisions of other agencies, including the power of the CPA to attempt to reorder the priorities of its sister agencies by suing them when they failed to take requested action. Only one bill, H.R. 564 by Congressman BROWN of Ohio and myself, would preclude such potentially disruptive power from the CPA.

EXPERTS AGREE ON RISKS

During the hearings on these bills, the two most credible expert witnesses on appeal powers both agreed that there were dangers in granting such an extraordinary power to a nonregulatory agency such as the CPA. One of these witnesses, Prof. Harold Petrowitz of American University, stated that in his opinion the risk was not worth taking and pointed specifically to the dangers involved in appealing final Government contract dispute decisions. The second expert witness, Prof. Antonin Scalia who is now chairman of the administrative conference, explicitly warned us of the risks but said that in his opinion these risks were worth taking.

EFFECT ON ENERGY PROGRAMS

Congress, of course, is to be the only one to decide whether the very real risks of granting the CPA appeal power are worth taking at this time. Since these experts testified, a new dimension of risk has been added—we have begun to implement emergency measures to help solve the energy crisis.

Imagine a 3- to 24-month delay of final administrative actions to solve the energy crisis while the CPA takes the President, the Federal Energy Administration, the Treasury Department, or all three to court—as it could under the two pending bills which would grant the CPA appeal rights. This is one of the major concerns of Secretary Shultz, a concern which I share with him.

EFFECT ON TAX AND CUSTOMS DECISIONS

Secretary Shultz, in his letter to me, points out that there are "literally millions" of tax and customs decisions made each year by his Department, and warns, "It would impose a tremendous burden on taxpayers, importers, and the Department alike to make these decisions subject to appeal at the instance of the Consumer Protection Agency."

The Secretary also states that, "We would be equally opposed to granting such an appeal power with respect to actions such as the adoption of regulations and the publication of Internal Revenue or customs rulings that are not subject to review under present law."

THE "PRESENT LAW" NONSAFEGUARD

Secretary Shultz, in one part of his letter, raises a question concerning an apparent limitation of the CPA appeal right in the two bills which would grant such a power. This provision which is being wrongly interpreted by some as a major safeguard, limits the CPA's right of appeal to Federal actions "reviewable under law" in one bill and, in the case of the other bill, where "a right of judicial review is otherwise accorded by law."

What these "present law" provisions mean has been clearly spelled out in the legislative history—if anyone may seek judicial review of a type of Federal action, the CPA may. This, as you will see, will at the most safeguard from CPA appeal only those extremely rare instances where Congress has expressly prohibited everyone from challenging in court particular Federal action affecting them; and this nonsafeguard may not even go that far.

For example, sponsors of CPA bills with appeal power have pointed out that if a Federal agency determines that a businessman is innocent of charges concerning violations of law, the CPA may take that agency to court. It can do this because, if the businssman had been found guilty by the agency, he could have appealed that decision to courts. Professor Petrowitz pointed out that, although one Government agency cannot now appeal the final decisions of another in significant Government contract areas, individual contractors could. Therefore, he stated, the CPA could.

More to the point, in a response to my inquiry, the Internal Revenue Service pointed out that essentially all actions taken by the Internal Revenue Service with respect to tax liabilities, such as assessments and disallowances of claims for refunds, are appealable to the courts under the provisions of title 26 of the United States Code. This IRS letter may bear further review in light of Secretary Shultz' warnings. The IRS response was inserted into the RECORD by me on November 13.

Finally, we have had proponents of CPA appeal power point out with satisfaction in our hearings that this limitation of review to availability where allowed by present law is no safeguard at all. In doing this, the Administrative Procedure Act was cited as one present law which provides very clearly that—

> A person . . . adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof.

And that—

> Agency action made reviewable by statute and final agency action for which there is no other remedy in a court are subject to judicial review. (See 5 USC 702 and 704.)

Thus, as Chairman Scalia acknowledged, the right of judicial review is an "empty bottle."

Mr. Speaker, for the important reasons already stated, I now include in the RECORD the objections of the Secretary of the Treasury, George P. Shultz, to granting any CPA appeal powers.

THE SECRETARY OF THE TREASURY,
Washington, December 11, 1973.

Hon. DON. FUQUA,
House of Representatives,
Washington, D.C.

DEAR MR. FUQUA: Further reference is made to your letter of November 20 relative to appeal powers of a proposed Consumer Protection Agency.

Energy related decisions of this Department which might be subject to the Consumer Protection Agency appeal power primarily, but not exclusively, involve decisions

made under the internal revenue and customs laws. We will first state our comments in general terms, however, because we feel that they are equally applicable whether the issues involved relate to energy or to other matters that might be deemed to affect consumer interests.

We are extremely concerned about the adverse impact on the administration of our internal revenue and customs laws that would result from vesting an appeal power in the proposed Consumer Protection Agency. It is essential that administrative decisions in individual income tax and Customs cases be exempted from any such appeal power. Literally millions of such decisions are made each year in the review of individual income tax returns and Customs entries. In fiscal 1972, for example, approximately 1.7 million audits were conducted by the Internal Revenue Service, and 3 million formal, commercial entries were processed by the Customs Service. Most of these actions are closed without recourse to the courts. It would impose a tremendous burden on taxpayers, importers and the Department alike to make these decisions subject to appeal at the instance of the Customer Protection Agency.

We would be equally opposed to granting such an appeal power with respect to actions such as the adoption of regulations and the publication of Internal Revenue or Customs rulings that are not subject to review under present law. To provide necessary guidance for taxpayers in the determination of their individual tax liability and for importers with respect to Customs liabilities, it is important that the promulgation of regulations and rulings not be unnecessarily delayed. As a matter of policy, the Treasury Department already affords an opportunity for comment on proposed regulations, and consumer interests, thus, already have ample opportunity to make their views known on tax and Customs regulations. While we do not know what exact statutory language is presently under consideration, we have examined the appeal power provisions in H.R. 14 and H.R. 21, both of which appear limited to administrative actions that are subject to appeal under present law. We would hope that any provision that may be adopted would, at a minimum, be so limited.

While we have spoken in general terms, we must emphasize that many administrative Treasury decisions in individual cases, as well as in regulations of general application, relate to energy, either directly or indirectly. An example under the Internal Revenue law would be decisions regarding the calculation of tax liability when the percentage depletion deduction for minerals is involved. Customs regulations affecting the movement and handling of cargo, and thus the amount of fuel expended by carriers, are a further example of this interrelationship. The delays and disruptions from appeals by the proposed Consumer Protection Agency in matters such as these, and a myriad of others, could be widespread and involve a large number of cases and individuals.

Sincerely yours,

GEORGE P. SHULTZ.

ANDREW E. RUDDOCK IS RETIRING FROM KEY CIVIL SERVICE POST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DULSKI) is recognized for 5 minutes.

Mr. DULSKI. Mr. Speaker, the decision of Andrew E. Ruddock to retire at the end of the month is a distinct loss to all Federal employees, present and retired.

For the past 34 years, Mr. Ruddock has been employed by the U.S. Civil Service Commission in a variety of capacities, principally with relation to the civil service retirement and health benefits program.

He has been director since the Commission created the Bureau of Retirement, Insurance, and Occupational Health in 1959. Previously, he was in the former Retirement Division, being named associate chief in 1951 and chief in 1953.

Mr. Ruddock's expertise in these fields is without peer. He has appeared frequently as a witness before our committee and always has been responsive, frank, and helpful in discussing the subject at hand. He will be very much missed here at the Capitol as he will be at the Commission.

Without question, he is one of the Commission's most dedicated employees. He has played a vital role in the progressive development of the civil service retirement, group health insurance, and health benefits programs.

Chairman Robert E. Hampton, in announcing the retirement, recalled that Mr. Ruddock was responsible in 1954 for putting the civil service life insurance program into effect within 12 days after it became law. This clearly is a man who does his homework.

Recently, I raised questions about the finnacial stability of the civil service retirement fund. Naturally, it was Mr. Ruddock to whom the Commission turned to be the principal witness before our committee to explain in careful detail the deficit situation which had developed over the years.

Mr. Speaker, the Commission tendered its highest honor to Mr. Ruddock in 1961 when he was given the Commissioners' Award for Distinguished Service.

We in Congress do not have awards to give outstanding civil servants. But we can give them public recognition for their devotion and dedication to the best interests of our Federal establishment.

As chairman of the Committee on Post Office and Civil Service, this is what I do here today.

To Mr. Ruddock, I say: Your 34 years of continuous Federal employment have been exemplary. All who benefit from the programs which have been under your wing are deeply grateful for your stellar service. You have our sincere best wishes in your days of retirement ahead.

Mr. Speaker, as Mr. Ruddock leaves public service, he leaves a legacy of fine and capable assistants to take over his responsibilities. Thomas A. Tinsley will become director, John G. McCarthy associate director for operations, and Solomon Papperman associate director for policy. We welcome these promotions.

SASKATCHEWAN OIL PRODUCTION TREND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, an Associated Press news article published over 10 days ago accurately described an ordered cutback in oil production in Saskatchewan by the provincial government. The article refers to over 10 percent reduction of the 200,000 barrel daily production of this Canadian province and cites the reason "because the United States is cutting back on its purchases of Saskatchewan crude."

At a time when refineries are desperately trying to get all of the oil they can to satisfy the customers, this article appeared in direct conflict with United States and Canadian efforts.

In phone conversation with Jack Stabback, oil member of the Canadian National Energy Board at Ottawa, I learned that, indeed, the provincial government had ordered a cutback in production of 31,000 barrels per day, because it was not being accepted by the usual U.S. refineries. U.S. oil companies had switched orders for lighter crude from Alberta. Total allocation to U.S. oil companies by the Canadians remains at just under a million barrels per day and refineries had opted to use their allocation from more desirable sources than the heavy, dark crude oil available to them from these particular Saskatchewan wells.

Mr. Stabback informed me that the "board had been wrestling with the problem, because we do not like to shut in production."

He continued:

We have quickly switched 10,000 barrels of this production to Districts 1 through 4 but the total allocation remains the same because District 5, the Puget Sound Area, allocation was down 10,000 for lack of pipeline capacity.

He assured me that the board would look at a greater exibility in their allocation program to take into consideration grades of oil.

As we continue to straighten out the problems involved with oil shortages here in our country, we should also make certain that we work closely with the Canadian National Energy Board to assure the continuation of the million barrel per day supply we import from our friendly northern neighbors. A copy of a news article follows:

UNITED STATES TRIMS OIL BUYING IN CANADA

CALGARY, ALTA.—The Saskatchewan government has ordered oil companies to reduce their production in the province because the United States is cutting back on its purchases of Saskatchewan crude, the Saskatchewan mineral resources department says.

A spokesman for the department said in a telephone interview that the government has sent letters to oil companies ordering a 16 per cent cutback in production in southeast Saskatchewan (9,300 barrels per day) and a 40 per cent reduction in southwest Saskatchewan (26,200 barrels) for December.

Saskatchewan crude production normally averages 200,000 barrels daily.

The demand for crude exports to the northern United States will fall short of the province's production capacity next month, and because the province does not have adequate storage facilities, the government has decided to reduce production, he said.

The spokesman said U.S. buyers have created the situation by deciding to reduce crude imports from Saskatchewan. He did not say why U.S. buyers wanted to reduce their imports of Saskatchewan crude.

"ART AND THE FUTURE" A SIGNIFICANT BOOK BY DOUGLAS M. DAVIS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I take this time to call to the attention of Mem-

bers of the House the recent publication of a book which I believe is of considerable significance to all those concerned about the arts in modern society.

The book, entitled, "Art and the Future: A History/Prophecy of the Collaboration Between Science, Technology, and Art," is by Douglas M. Davis, the distinguished art critic for Newsweek magazine and himself an artist whose work is chiefly in the field of videotape, graphics, and other media.

In his book, Mr. Davis discusses the significance for the arts of the developments of modern science and technology.

To quote him:

Man is creating in our time new tools and methods at a rate unmatched in the past. Their presence is—as we shall see throughout this book—a creative presence. As these new means have multiplied in the twentieth century, they have steadily altered not only our sensibilities but the form and purpose of art itself. What begins as a conscious attempt to fit new materials into old forms ends with new forms based on those materials. Technology, now is our environment, our landscape. New tools and knowledge no longer hide from the artist: they surround him. He can no more escape them in his work than Constable could escape the fields and trees of England or Winslow Homer the seacoast of Maine. The story that must be told, then, has to do with that development and its consequences, for both art and life.

Mr. Speaker, further to quote Mr. Davis:

Art can no more reject either technology or science than it can reject the world itself . . . the future, if no better, is at least uncharted and therefore malleable. It will fail us only if we surrender knowledge and technology to the utilitarians.

If his book succeeds, Mr. Davis concludes:

It will remind artists everywhere of what has been accomplished in this century through collaboration and why. Out of that awareness can come an art and a society at once saner and freer than any we have ever seen before.

Mr. Speaker, evidence of the significance of Mr. Davis' book is, I think, the considerable number of laudatory reviews it has received from outstanding critics of art, both in this country and abroad.

I ask unanimous consent to insert at this point in the RECORD several of these reviews, and I wish to call particular attention to that of Alan M. Kriegsman in the November 11, 1973, issue of the Washington Post:

[From the Washington Post, Nov. 11, 1973]

A CONSORT OF ART AND TECHNOLOGY

(By Alan M. Kriegsman)

In this age of computer music, kinetic sculpture and video graphics, it may be late in the game to ask whether it's a healthy thing for art to be consorting with technology. Healthy or not, art has plunged ahead, and the fraternization seems to be accelerating with each passing day. But for this very reason, one can hardly help questioning the relationship. Are there some kinds of interaction between esthetics and science which are more benevolent than others? How has the application of technology changed the ways in which we enjoy or evaluate the arts? Where is all this artistic traffic in hardware software likely to lead us in times to come?

It is just these questions which Douglas Davis addresses so boldly in his new book, "Art and the Future: A History/Prophecy of the Collaboration Between Science, Technology and Art." His answers may not satisfy everyone, but they assuredly shed light on the problems, and indeed, give the whole subject new urgency and significance.

Davis is ideally qualified for the task. As art critic for Newsweek Magazine, former arts columnist for The National Observer and contributor to such diverse publications as The New York Times, Radical Software, Artforum and Holiday, he has often shown himself to be a perceptive, literate, well-informed observer. He's also a doer in the arts. A one-man invitational exhibit of his work in videotape, graphics and other media has just concluded at the University of Santa Clara. Other displays of his creative effort have taken place in Washington, Paris, Mexico City, Amsterdam, Helsinki and elsewhere. Next month, he begins a year's appointment as artist-fellow at MIT's Center for Advanced Visual Studies.

Davis is scarcely the first to come to grips with the scary marriage between art and science. His book, however, is unprecedented in the scope, depth and lucidity of its treatment. Despite the Wagnerian sound of the title, there's nothing ponderous or pontifical about the volume. It is imbued, though, with a feeling of personal passion and excitement which one seldom encounters in books of this kind. The train of thought is occasionally elusive or hard to follow, though some opacity is inherent in the nature of the subject. But the discussion is consistently provocative, and never less than engrossing. The book's own handsome graphics and illustrations—Davis himself had a hand in the design—make its dialectics that much more persuasive.

The scope is immense. The historical survey which constitutes Part I starts with Leonardo, the prototype of the Renaissance artist whose interest in esthetics was fed by science and vice-versa. The trail leads phase by phase through the pioneer movements early in the present century up to the borders of the present, ending on the frontier of electronic, cybernetic and environmental art based on the most recent advances in technology. Duchamp, Calder, Moholy-Nagy, Cage, Kaprow, Warhol, Stockhausen, Tinguely, Caro, McLuhan, Fuller, Rauschenberg, Kluver, Kepes, Paik, Naumam, and Vandercheek are among the seminal figures dealt with.

A HISTORY OF IDEAS

What Davis gives us, however, is no mere chronicle. It is a history of ideas, of evolving concepts, rather than of specific techniques or accomplishments. The result is an elucidation of the themes, trends and motivations which shaped the vast changes technology has wrought within the arts.

Part II is a collection of interviews and statements by some of the key personnages in the evolving alliance—Nicholas Schoffer, Jean Tinguely, Billy Kluver, James Seawright and others. Most audacious and stimulating of all is Part III, called "Prophecy: The Art of the Future" Davis is not concerned with what he calls "the banality of specific prediction." Instead, he tries to extrapolate, from themes gathered earlier in the book, what kinds of creative needs and goals the continuing rise of technology is likely to impose upon man.

According to Davis, the advent of technology has led to an increasing dematerialization of the arts. In place of fixed, confined and immutable objects, the artist now deals in evanescent images, "real time" performances, streaks of light in the sky, electronic impulses, shifting, variable and collapsing forms. Process and concept—the doing, not the thing done—have come to seem more meaningful than static monuments, because they seem to approximate more closely the spontaneity and transformation of life itself.

Technology can also expand the limits of human creativity, Davis maintains, by extending man's senses, mind and imagination into the realm of the unpredictable. And this is where science and art have a common stake. "What unites both, it seems to me," Davis writes, "is the drive to find truths—information, if you will—outside the prevailing consensus."

At the same time, the thrust of technology is to eradicate the mystique of art, art as an enclosed domain of the gifted, created by an elite for an elite. With the aid of technology, art now travels with the speed of light, and reproduces itself indefinitely. All can have access. And all can participate.

"Technology steadily reduces the need for specialized physical skills in art," Davis observes. But reducing the need for physical skills is also to remove barriers to conceptual ingenuity. The laser, the computer and the cathode ray tube can do things no hands can do, but they are open to all hands.

Davis, then, is sanguine about the potential of technology as a force for the betterment of man and society. He is, however, anything but blind to the dangers of misapplication. A central theme of the book is the Frankenstein complex which lies at the heart of man's feelings about machines. There is always the possibility, frighteningly real, that man may end up the slave or victim of his own technological creations, as indeed he already has in more than one notorious instance. Therein, says Davis, lies the imperative for a reciprocal relation between science and art. Technology is here to stay. What comes of it will depend on what we do with it.

In his introduction, Davis writes: "The (Vietnam) war has sickened us all, and we hear little at this hour about the creative potential of technology and much about its destructive capacity. Rather, we are told by a variety of sophisticated Luddites that we must retrench. This position cannot long endure, of course. Art can no more reject either technology or science than it can reject the world itself. The world can no more reject them than it can accept hunger, disease, ignorance, or the feudal structures that nourished them. We have sentimentalized too long a past that was in fact brutal and sordid. The totalitarianism that reared the pyramids and subjugated medieval Europe proceeded without the benefit of computers of the Los Angeles County Museum. The future, if not better, is at least uncharted and therefore malleable. It will fail us only if we surrender knowledge and technology to the utilitarians."

Unstated here, but implicit through out the whole rest of the book, is a corollary. The future will not fail us if ways can be found to bring man's artistic sensibility into fruitful alignment with science and technology. The utility of art lies not in efficiency or bulk, but in a keener, deeper, less fettered vision of life. In quest of this vision science can be both handmaiden and beneficiary.

[From the Library Journal, Sept. 15, 1973]

BOOK REVIEW

Davis, an artist himself and art critic for Newsweek, has assembled the history of technology and art from the industrial revolution to the present. Rather than interpreting, he has organized and clarified the interchanges between art and technology, in a major achievement in contemporary art history. A section of statements from representative artists, a prophecy analyzing possible future directions, a glossary, and a thorough bibliography further enhance the already considerable value of the work. Davis' book provides a historically organized complement to other important, but less historically oriented studies, such as Jonathan Benthall's Science and Technology in Art Today (LJ, Dec. 15, 1972); and it updates earlier histories. Accessible to both specialists and laymen, this is highly recommended

for academic and public libraries—Elizabeth B. Bailey, University of Alabama in Huntsville Library.

[From the Economist, Oct. 6, 1973]

THE ORIGINS OF WESTERN ART

(By Ann Powell)

ART AND THE FUTURE

(By Douglas Davis)

The story of western art's evolution stretches over tens of thousands of years, from the long-hidden paintings at Altamira to the monuments of imperial Rome. It is, of course, the story of a dramatic change in climate which encouraged food cultivation and so made possible man's progress from the cave to the city. Miss Powell has produced a very readable account of this drama of art and civilisation. It is something of a tour-de-force, taking us from the cave paintings and the early discoveries in pottery and metal-working to the great bronze age civilisations in Mesopotamia, Egypt and Asia Minor, to classical Greece and, finally, to the late Roman art of the third and fourth centuries AD. But though the conciseness leaves one a little breathless, it finds rooms for the themes of myth, magic and ritual running through all epochs.

AN INTELLECTUAL CHALLENGE

Intriguingly, understanding (or at least plausible explanation) of art seems less certain when it comes close to our own time. Mr. Davis, art critic of Newsweek, takes up the story of art with Marcel Duchamp. It is an intellectual challenge to read these two books in succession. Perhaps the link between them lies in a small illustration in Miss Powell's book that depicts a bronze ritual vehicle with animated figures, soldiers, mounted warriors and deer, believed to have been made in the seventh century BC. It is impossible to look at without seeing movement, even though we know the model is static. What substitute is there in kinetic art for that magical illusion?

It is just 60 years since Duchamp exhibited his bicycle wheel, which could be spun by hand. In no time at all motorised objects followed; kinetic art had a good run until the outbreak of the second world war. Technology was not again married with art until the mid-1950s, but the honeymoon then lasted for a decade. Now, Mr. Davis admits, "The heady euphoria of the mid-1960s", when collaboration between artists and engineers was at its height, has passed. But, he contends, this retrenchment cannot last: art cannot reject science.

He hopes to persuade artists by showing them what has been achieved in this century through collaboration (and why). It is an excellent, well-illustrated account of light-painting, computer-sculpture, sound-vision and so on. In his final chapter, he puts forward his own views. He sees art as metaphysical information, arguing that it has always been read for messages beyond itself; he thinks the future will fail only if knowledge is surrendered to the utilitarians.

The old magic was localised: in a museum, a cathedral or a rich man's villa. The printing press, photography, film and television have made the inaccessible constantly accessible. But magic has not been abolished. The scientist, like the artist, assumes a magical relationship with the real world. Warming to his theory, Mr. Davis contends that the space programme is no more useful than, say, the images thrown on a screen by Paik's video synthesiser. Many of his readers will drop out at this point. But it would be a pity to miss the quite typical conclusion, that "we are doomed to the excitement of going on".

[From the San Diego Union, Sept. 9, 1973]

BOOK REVIEW

Art and the Future; by Douglas Davis; Praeger; 194 pages; $20. It looks like a radar dish trying to swallow a huge hot dog, but actually it's the work of an artist and all 280 feet of it was exhibited in Germany in 1968 (it took five truck cranes to lift it). Another artistic work depicts a nude woman as a computer would see her. And there is a fountain made out of stainless steel, motorized and programmed so that it vibrates and reflects light in many directions, like water splashing from a water fountain. These are some of the directions art is taking—fascinating, beautiful and sometimes bizarre directions. This is the art of the future as Davis sees it. The book is an eye-opener for those who think of art in traditional terms.

[From the Houston Chronicle, Sept. 16, 1973]

WHAT THOSE CRAZY AVANT GARDE ARTISTS ARE UP TO

(By Ann Holmes)

Art and the future, by Douglas Davis. Praeger. $20.

For those who wonder what those "crazy avant-garde artists" are really up to, or for art buffs who find it hard to keep up with the ever-changing "movements," here is a book that admirably gets it all together. It answers many questions, shows in 300 illustrations some amazing art works, and, in the end, poses a question or two of its own.

Author Davis is both critic (for Newsweek) and contemporary artist himself. His 208-page volume is a richly packed study and a valuable addition to the literature on art and artists. He subtitles his work "A History/Prophecy of the Collaboration Between Science, Technology and Art," and if his prophecies seem hair-raising, his art history is sounder stuff.

Asserting that artists have always reached for different tools to make ever new statements, Davis concentrates upon the era spanned by such earlier movements as Futurism, Dadaism, Constructivism and Surrealism, and moves on to Pop Art in its many manifestations here and abroad; the light-kinetic sculpture experiments, Happenings, Environments, Multiple Art, Sky Art, Minimal Art, Computer Music and Art, and Conceptual Art in which the idea is all and a product would be redundant.

The book is peopled with principals from the 20th century art world, the Rauschenburgs, Pollocks, Johns, the David Smiths and Tony Smiths, and it is good to see space age rocket designer and artist Frank Malina of Brenham, Texas, and Paris, France, well represented along with his beautiful lumidyne light boxes.

Artists are now finding themselves clumsily in the way of computer-brained machines and empirically Douglas's logic allows him to believe we are now doomed to "the excitement of going on," and that, the "end of man is the future of art."

[From Women's Wear Daily, Oct. 1, 1973]

ART CRITIC WITH A VIEW ON SPACE

It's becoming easier to imagine the artist and scientist as compatriots. The experiments using computers to draw human characters are as crude in their way as prehistoric cave murals; yet they are forming the foundation for more complete artistic applications.

While the prospect of seeing computer programmers as pioneers in modern art may seem chilling to traditionalists, Douglas Davis rejoices over the idea.

Davis, the art critic of Newsweek, has documented his joy in "Art and the Future" (Praeger, $20.00). He describes scientists who are using computers and cathode ray tubes for portraits and animation. He illustrates how multi-media art can use electronic effects as a synthesis for tying together different art forms.

But Davis is particularly excited about the impact of science/art on America.

"Thousands of scientists and engineers have changed their attitudes. Once an artist begins to collaborate with a scientist, he is not submitting to a military/industrial complex. The subversion is all on the other side."

The "subversion is the process of bringing the artist's values to the scientist. Davis sees the moon flights as being the most important scientific/artistic influence on contemporary art, just as the atomic bomb was the permeating influence on the art of the 50's.

"It is a subconscious influence, and then the art operates on the fringe of the public consciousness. The colors used by Jackson Pollock came out of a world transformed by technology. Its more difficult to see how his institution and impulses were influenced by science, but remember that the atomic bombs development was also influenced by intuition and impulses."

Davis doesn't think much of the fear that computers will dehumanize the world. "The first thing that an artist wants to do with a tool that comes out of science is capture it. The best way to capture a computer is to make it do very utilitarian things."

Accordingly, added Davis, a way for an artist to take advantage of the space program is to adapt the space program's systems approach.

"It's clear from the art that is being introduced now that the earth is becoming thought of as a space ship. Since 1970, there have been an increasing use of land forms in art, and the idea of a land form as a part of a system has become pervasive.

"I, for one, have always been excited by the space program. I think there was a lot of discussion about the priorities of the space program against the needs of poverty and education programs. The real target of budget cutting should be military spending."

It was a brief trip into space, said Davis, that made Gertrude Stein finally appreciate the avante-garde art of her day.

"She had never understood Picasso until she went up in an airplane. When she looked at the land from above, she finally saw the point of looking at the world from several fields of vision.

"Just as Rauschenberg has been influenced by the pictures from the moon, the early Cubists addressed themselves to perspectives from the new flying machines. Up until then, what Aristotle said, that no object nine miles long can be beautiful, was a truism.

"But Aristotle had never been in an airplane."

[From Newsweek, Oct. 1, 1973]

DEAD OR ALIVE?

"Art is dead," proclaimed the poster at the International Dada Fair in 1920. "Long live Tatlin's machine art." Nowadays the cry that art is dead is much more likely to come from the proponents of traditional art, a dwindling bastion surrounded by the ever-spawning successors of Tatlin and other innovators of twentieth-century art. Despite today's near-instant communication, most of the "public," at least in the U.S., is really unaware that what they still think of as "art" is a minority activity. Painting and sculpture, in the sense that most reasonably cultivated people think of them, are indeed, for all practical purposes, dead, replaced among young artists all over the world by myriad activities closely involved with new science, technology and philosophy.

This state of affairs has given rise to increasingly acrimonious debate among critics, a debate that Douglas Davis is not too far out in characterizing as largely "generational." As Newsweek's art critic——and as an artist himself—Davis has been closely identified with that dirty word, the avant-garde, and has probably brought news of it to more readers than any other journalist. His new book is sure to arouse wrath on the right and even on the left, the art world being what it is. Nevertheless, "Art and the Future" is the most comprehensive summary

of the new forms and activities in art, the most unblinking rationale for the spirit of that art, and the best book for the "ordinary" reader who wants to know what in the name of Michelangelo is going on and why.

THE HISTORICAL BACKGROUND

Davis begins by sketching in the historical background to the recent seemingly apocalyptic events in what used to be comfortably called the fine arts, pointing out that "artists have always been involved with 'technology,' with the use, that is, of relatively new tools, methods and knowledge to extend their work." For Davis there is a direct line from Leonardo, the artist-engineer-philosopher, to artists like Laszlo Moholy-Nagy, the first modern to work extensively with light and movement, and composer John Cage, who established silence, noise and chance as esthetic principles. Davis' heroes among the pioneers of modern art include the Russian constructivists—men like Tatlin and Lissitsky, who until they were crushed by Stalin's repressive philistinism were euphorically creating an art that seemed to reflect the best energies of a modern society.

Davis' prospective on more recent phenomena such as pop art opposes critics who see Warhol's Coke bottles and Liechtenstein's comic strips as symptoms of the terminal vulgarization of America. For Davis the pop artists were perfectly in tune with a new American (and British) culture that was replacing outmoded, "elitist" ideas of highbrow art with a "new realism" in which mass production "steadily reduces the hold of the elite upon art and steadily inculcates classless esthetic values."

Brood: The artists whom Davis admires today combine this anti-elitism with the cool professionalism of contemporary scientists, engineers and philosophers. These artists, in sculptor David Smith's words, want to create an art "that men could view as natural, without reverence or awe." Davis shows how this sensibility operates in engaging or startling ways: Nicholas Schöffer creates "Cybernetic Cities," urban environments that resonate with light, color and sound on an epic scale: Hans Haacke exhibits "ongoing natural processes, including . . . a brood of chickens hatching"; David Rosenbloom wired groups of people into a "brain wave-computer-synthesizer-loud-speaker system," which allowed them to generate their own musical tones.

These examples are merely among the most extreme in a near-global activity that is reflected in Davis's text (which includes revealing interviews with many artists) and in the 250 black-and-white and 44 color illustrations. Davis has his cavalier moments: "The condition of American art in the 1930s was absolutely retrograde in any case. What passed for the American vanguard—painters like Stuart Davis and Edward Hopper—were largely descendants of the School or Paris." Here he provides much too inadequate a kettle for some big—and very different—fish. But I don't see how one can argue with his chief and crucially important thesis. The forms, methods, materials and assumptions of art *are* changing—as irrevocably as other assumptions and methods in the evolution of human consciousness.

Some will point to Jean Tinguely's 1960 machine, which destroyed itself in the garden of New York's Museum of Modern Art, as the perfect metaphor for modern art. For Davis, Tinguely's machine is crucial, but only in its demonstration that machines as well as men must be free so that both can collaborate in the "central fact" of art—"the probing, discovering purpose of man."

[From Science News, Aug. 11, 1973]

BOOK OF THE WEEK

Defines and places in critical context dozens of movements, discussing hundreds of works, from futurism, light-kinetic sculpture, and happenings to sky art, computer film, and conceptual art.

[From World Future Study Bulletin, July 1973]

ART AND THE FUTURE: A HISTORY/PROPHECY OF THE COLLABORATION BETWEEN SCIENCE, TECHNOLOGY AND ART

This book discusses the radical turn in 20th century art away from the studio toward a full-blooded collaboration with science and technology.

It documents the movement from Cubism and Futurism to the latest advances in computer art and conceptual art.

Comment: "A well-documented report on the more innovative trends in contemporary art."

[From the San Francisco Sunday Examiner and Chronicle, Oct. 21, 1973]

THE DAVIS TAPES—NEW ART FORM AT SANTA CLARA

(By Alfred Frankenstein)

St. Jude is the patron saint of ultimate extremity. You pray to him when everything else has been exhausted and the impossible remains your only hope. And so when the de Saisset Art Gallery at the University of Santa Clara received an endowment in support of an annual show, it was promptly dubbed the St. Jude Invitational.

This year's St. Jude Invitational is the first one-man show of videotape we have had in the Bay Region. It is the work of the New York artist Douglas Davis who came to the Santa Clara campus and made seven videotapes there. He also brought with him some of his older work, notably one called "Talk-Out," made in collaboration with James Harithas, director of the Everson Museum in Syracuse, N.Y., which was the first museum in the country to establish a videotape department under a full-time curator. For videotape is growing as an art medium and has already sprouted several different schools and styles.

Douglas Davis does not hold with the abstract videotapists, like Don Hallock, whose work, as currently displayed at the San Francisco Museum of Art, was reviewed with great enthusiasm in these columns not long ago. Neither does he hold with the conceptual artists, who seem to use videotape for the purpose of driving everybody insane. He has some sense of the medium and its potentials, and if his practice has not entirely caught up with his theory as yet, he has time on his side.

A VERY REMARKABLE BOOK

In a very remarkable book which Davis recently published, "Art and the Future," a survey of the collaboration between art, science, and technology, is a very remarkable sentence: "The future . . . will fail us only if we surrender knowledge and technology to the utilitarians." Nothing could be less utilitarian than the Davis tapes at Santa Clara.

The great trouble with a videotape show is that it takes so long to see it. You can't run in and run out as you can at a show of paintings. I was told that to see the entire Davis exhibition would take over four hours, but nobody is expected to gulp it all down at once. Taking his cue from television, where videotape was born, Davis likes a loose, open, casual, unstructured relationship between the work and its audience. He doesn't mind if you get up and go to the bathroom while the set is on; he rather enjoys the idea.

I paid close attention to the seven tapes made at and for Santa Clara and saw random samples of the others.

SPIRALLING

The best of the Santa Clara tapes, I thought, was one called "Spiralling." Davis' scenario for this is as follows:

"1. Hundreds of students out on a football field, arranged in concentric rings. Everyone is holding some method of reproduction—cameras of any kind, mirrors, drawing pencils. I am in the middle. As tape starts I pan around the figures, all standing still. About a minute.

"2. I crouch as I pan, a signal to the inner ring to begin to pan, moving around me, which signals the next ring, and the next. Very slowly at first. About a minute.

"3. The movement increases slowly until at the end it is racing and people fall dizzied to the ground."

The remarkable thing about this work is its choreography. It starts with the people moving around the camera and ends with the camera moving around the people, the whole at ever-increasing speed. In some of Davis' compositions there is little rhythm; they subscribe to what, in a different context, Sam Hunter called "the esthetics of boredom," and sometimes the esthetics there are hard to see.

A most entertaining tape by Davis is one in which his two hands explore the surface of the screen. "After about a minute the hands begin to scratch and claw at the screen, sense of panic slowly building. About 2 minutes. Tape ends with the hands furiously knocking, trying to break and reach through the screen at the viewer."

I saw very little panic in that tape, except in the knocking at the end, and that seemed comical in its tiny violence. Most of the time those hands were engaged in a very animated dialogue. They appeared again, in a tape wherein the camera was dangled, twisting and turning, from the top of a high building while the hands reached out of a window beseechingly and at last won their prize; the camera dropped into the hands and their fingers closed over it to finish the piece.

In another composition, the camera explored the lumps and hollows of a nude figure; transforming them into shorelines and mountain ranges and dissolving them into light. In still another, Davis stopped automobiles with a smoke bomb in the middle of the street, jammed up the traffic at least from San Jose to Burlingame, and then walked off. This resembled the Happening of blessed memory rather more than the rest of the tapes. And along about this time I got into an argument with George Bowling of the museum staff, who has long worked with video-tape.

Bowling insisted that one of the major virtues of video is that it happens in "real time." The ball game, the Senatorial investigation, or the Presidential speech that you see on television is occurring then and there, as you see it. But I replied that what we were seeing was a set of tapes taken weeks earlier; the events on the screen were happening in past time, not "real time." Bowling nevertheless insisted that the videotape preserved a sense of real time far more successfully than motion picture film, and that is clearly true for him.

One very important difference between videotape and film is that in watching video you are looking directly at a source of light rather than reflected light, as is the case with film. (And where did that headache come from?) Video color is much cruder than film color, but Bowling suggested that this did not make a great deal of difference to Davis.

The Santa Clara tapes are currently being shown in a gallery with two screens, or monitors as they are called in the trade, placed one on top of the other. The upper one is smaller than the lower, much more brilliant in light, and much more garish in color. The two screens are used as a matter of convenience because the room sometimes fills up with students and under those circumstances the larger, lower screen is difficult to see. But the contrast in size, color, and illumination between the two is quite interesting. I thought it was deliberate until Bowling said it wasn't.

"Talk-Out" seemed to involve a good deal of self-congratulatory verbiage about the fact that in it Davis and Harithas were going to talk to people who phoned in, as if they

had just discovered that form of communication. But they also put on some of Davis' earlier tapes, including a rather fascinating one that involved numbers inscribed in many different ways on many different surfaces while the Boston Symphony Orchestra played the "Bolero" by Ravel. "Music," said Goethe, * * *

A COMMENT BY GYORGY KEPES

I quote also, Mr. Speaker, the comment on "Art and the Future" by the distinguished artist and teacher, Gyorgy Kepes, of the Massachusetts Institute of Technology:

I found it provocative, imaginative, and at the same time beautifully documented. I think that it is an important book, for it brings into constructive and affirmative focus the wide variety of explorations in the arts of the late twentieth century.

William Van Dyke, Director of the Department of Film for the Museum of Modern Art in New York City, commented:

I have read Doug Davis' new book Art and the Future with a growing sense of appreciation and admiration. Not only is it revelatory but it is beautiful, and it comes at just the right time. Everyone who may even vaguely sense the attempts of art and technology to mate productively should enjoy the book and treasure it for its insights.

Too often, I think, Mr. Speaker, we fail to appreciate the significance in the eyes of foreign observers of developments in American art. "Art and the Future" has been selected by the U.S. Information Agency for distribution to U.S. Information Service posts abroad which subscribe to the agency's significant book conscription service. Part of the USIS comment on Mr. Davis' book follows:

A look at modern art's past, present, and possible future collaborations with science and technology. This volume, written by the art critic of Newsweek, shows vividly the radical turning away from the studio of twentieth century art and toward a full collaboration with science and technology. Liberally illustrated, with some color but mostly black and white, the major artists of the world are interviewed both on their work and where they see the future of art. In addition, a documentation of the early history of twentieth century art is given, to show how the latest advances in conceptual and computer art were arrived at. In the end, it is a philosophical, scientific, and aesthetic book, as well as a book of art. Most of the book is concerned with what is going on in the world today, however, rather than what the future might be, and it is in this that the book is most valuable. Hundreds of artists, scientists, engineers, and organizations have provided first-hand information on the current state of their work, and brought together they provide a kaleidoscopic vision of the dynamic state of art today. The author provides a critical view of all these movements, and tries to sort out everything from electronic music to neon art to iron sculpture.

Mr. Speaker, to reiterate, "Art and the Future" is a study that will be read with keen interest by anyone interested in the relationships between 20th century art and 20th century society.

AMERICAN OPINION ON WORLD POVERTY AND DEVELOPMENT

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, in the RECORD for December 11 at pages 40907–40909, I introduced a summary of a comprehensive survey of American attitudes toward the problems of poor countries and programs designed to help them, conducted by the Overseas Development Council. The survey is most revealing and in many respects surprising. For example, it tends to show that union members are more favorable to free trade than nonunion members.

Following are the detailed results of the survey, showing questions and answers, with group breakdowns, and so forth:

ANNEX A: SURVEY QUESTIONNAIRE AND RECORD OF RESPONSES OF NATIONAL POPULATION SAMPLE

(NOTE.—All open-ended questions are marked with an asterisk. In the case of open-ended questions, only those answers offered by 10 per cent or more of the respondents are included in this Annex.)

[Answers in percent]

1. This is a survey about world problems. I would like to ask you first if you think that tension in the world is greater than it was 10 years ago, about the same, or has world tension eased during the last 10 years?

Greater	67
About the same	18
Eased	13
Not sure	2

2. And to look ahead 10 years from now, do you think world tensions will be greater than they are today, about the same, or will world tensions ease during the next 10 years?

Greater	38
About the same	24
Ease	27
Not sure	12

3. How about the general living conditions of most of the people in the world? Would you say that living conditions in the world today are better than, about the same, or not as good as they were 10 years ago?

Better	63
About the same	18
Not as good	15
Not sure	4

4. And would you say that living conditions in the world 10 years from now will be better than, about the same, or not as good as they are today?

Better	49
About the same	22
Not as good	17
Not sure	11

5a. How much do you feel the United States government is doing at this time to fight domestic poverty? Is it doing more than it should, about the right amount, or less than it should?

More than it should	13
About right	28
Less than it should	54
Not sure	5

5b. And do you think our government is doing more than it should, about the right amount, or less than it should to fight poverty in other parts of the world?

More than it should	44
About right	31
Less than it should	17
Not sure	8

6a. Would you say the commitment of the United States government to help solve the problems of hunger and poverty in the world is very strong, fairly strong, or not strong at all?

Very strong	31
Fairly strong	49
Not strong	15
Not sure	5

6b. And in your honest opinion—is your own personal commitment to help solve the problems of hunger and poverty in the world very strong, fairly strong, or not strong at all?

Very strong	20
Fairly strong	43
Not strong	32
Not sure	5

6c. Concerning the problem of hunger and poverty, do you feel that people like yourself are doing all they can to solve it, as much as can be expected, less than expected, or almost nothing at all?

Doing all they can	14
As much as can be expected	40
Less than expected	30
Nothing at all	13
Not sure	3

7. Here is a card showing some estimates in the U.S. budget for 1973. Looking at the amount of recommended budget for medical services, would you favor increasing the budget, keeping it the same, or cutting the services?

[In percent]

	Increase	Keep same	Cut	Not sure
Medical services	51	38	6	5
Space research	13	39	44	4
National defense	10	46	38	6
Economic assistance to foreign countries	8	41	43	7
Farm price supports	32	38	18	13
Social security	50	40	6	4
Military assistance to foreign countries	4	38	52	7
Food stamps	25	40	24	11
Education	68	26	3	3
Pollution control	65	26	5	5

8a.* In the context of world problems, what does the word *development* mean to you?

Improving living conditions, raising standard of living	13
Helping people stand on their own feet, help themselves, self-improvement	12
Growth, building things up, getting stronger	12

b.* And what do the words *foreign aid* mean to you?

Helping, aiding other countries, people	41
Sending money to foreign countries	24
Sending food to foreign countries	13
Handouts, give-aways, wasting money	13

9a.* If the United States decided to stop all of its economic foreign assistance programs, what do you think would happen to the countries we are now helping?

They would help themselves, would learn to rely on themselves, would get along	23
Communists (China, Russia) would take over; they'd go Communist	20
Their growth would stop; they'd go backward to where they were	16
They'd collapse, would go downhill fast, fall apart	13
They would get help from someone else, would turn to others for help	11
They would starve; hunger	10

9b.* And if the United States decided to stop all of its economic foreign assistance programs, what effects do you think it would have on the United States in the long run?

Would be less popular, lose friends, allies; would be hated, have more enemies; would hurt relations with other countries	20
We would have more money to spend at home, more money to fight domestic problems	17
Would lose trade, import prices would rise	10
Not sure, don't know	14

10. Here is a list of different countries in the world.

A. Which two or three countries on this list do you feel you know the most about?

B. And about which two or three countries on the list do you feel you know the least?

C. Which two or three countries on the list would you say have the highest standard of living?

D. And which two or three countries would you say have the lowest standard of living?

E. If you had your say about our foreign assistance, which two or three of the countries on this list would you first assist?

F. Why would you select these countries to assist?

G. And which two or three of the countries on the list would you least favor giving assistance

H. Why would you least favor giving assistance to these countries?

[In percent]

	A. Know most	B. Know least	C. Highest standard	D. Lowest standard	E. Most favor assistance	G. Least favor assistance
Argentina	11	9	32	2	10	5
Bangladesh	9	30	1	33	24	2
Bolivia	2	19	3	3	4	1
Brazil	14	5	27	1	10	4
Chile	6	10	4	4	7	4
Mainland China	25	12	11	11	4	39
Egypt	16	6	7	4	4	12
India	24	3	2	38	29	3
Indonesia	5	9	1	7	7	2
Kenya	3	21	2	8	6	1
Nigeria	4	12	2	9	7	2
Pakistan	9	6	1	19	13	3
Peru	4	13	3	5	6	1
South Africa	15	7	16	11	10	8
South Korea	20	4	5	8	12	5
Soviet Union	52	4	39	2	1	57
Tanzania	0	52	1	5	3	2
None of the above	10	5	3	2	7	5
Don't know	8	10	27	23	23	23

F. Why would you select these countries to assist?

They are the poorest, have the lowest standard of living, need it most, have the most problems — 24
They need our help, just need it — 13
They are hungry; need food — 13
Are overpopulated; suffer problems of overpopulation — 10
Have had recent problems, wars, inner turmoil — 10
Have heard more about them on TV, radio, newspaper — 10
Don't know, not sure — 12

H.* Why would you favor these countries least for assistance?

They can take care of themselves, don't need us — 26
They are Communist, do not want to support Communists — 17
They are our enemies, oppose us, not our friends, hostile, would harm us, we are competitors, threat to security — 14
Don't know, not sure — 12

11a. Here is a list of various world problems that have been mentioned by people like yourself. How serious do you consider each problem—very serious, somewhat serious, or not serious at all? If you do not think it is a problem, just say so.

RESPONSES TO QUESTIONS 11a, 11b, AND 11c

[In percent]

	A. Seriousness of problem					B. Priority	C. Problem affects			
	Very serious	Somewhat serious	Not serious	Not a problem	Not sure	Top priority	Rich countries	Poor countries	Everyone	Not sure
Too much automation	16	28	27	20	9	2	54	7	32	8
Socialism	19	29	23	12	17	4	14	21	54	11
Corrupt government	54	30	8	3	5	23	13	14	70	3
Hunger and poverty	69	24	5	1	1	41	3	43	52	2
Too much technology	7	16	23	3	15	1	46	10	30	15
Trade barriers	9	31	26	13	22	1	18	19	51	12
Religious wars	33	29	18	10	10	5	6	21	61	12
Communism	54	25	11	4	6	20	5	23	67	5
Using up natural resources	59	23	6	4	7	18	24	4	69	3
Overpopulation	50	28	12	5	5	16	2	36	60	2
Lack of communication among people	50	31	11	4	5	14	7	10	80	3
Poor medical care	48	33	12	4	3	17	2	43	52	2
Hatred between racial and ethnic groups	55	32	8	2	3	17	10	7	79	4
Pollution	62	27	6	2	3	24	20	5	74	3
Illiteracy	37	37	14	5	7	9	2	52	43	3
Lack of adequate housing	38	40	14	4	5	7	3	47	48	3
Capitalism	17	26	22	19	16	2	30	11	50	9
Drug abuse	78	16	4	1	2	46	20	3	76	1
Corporate power	28	31	15	9	18	3	51	6	36	7
Territorial disputes	19	31	20	12	18	2	9	19	60	12

11b. Now, if you were to set priorities, which two or three problems on the list should receive top priority consideration, in your opinion?

11c. Now, considering the problem of _____, which countries does it affect more—rich countries or poor countries, or does the problem affect everyone in the world just about the same? (Asked for all problems considered either "very serious" or "somewhat serious.")

12a. And now if you were to estimate the number of people in the world who are now living in underdeveloped countries, what would you say?

Less than ten percent — 5
About one quarter — 22
About one half — 28
About three quarters — 22
About ninety percent — 5
Not sure — 19

12b. How much would you say problems faced by poor people in the world affect the people of the United States—a great deal, somewhat, or hardly any at all?

Great deal — 30
Somewhat — 36
Hardly any — 25
Not sure — 10

13. *In what ways would you say the problems of other people in the world affect us in the United States? (Asked of those who answered "great deal" or "somewhat" in above question.)

Takes money out of the country, have to keep sending aid, keeps us from solving our own problems — 15
Affects us economically — 15
Does affect us because we help, we're expected to help; it's our responsibility to help — 12
Costs us extra taxes — 11
It affects our attitudes, what we think and what we do — 11
Affects us militarily; we get involved — 10
Not sure, don't know — 9

14a. Concerning the United States giving foreign assistance—would you say you are strongly in favor, somewhat in favor, somewhat against, or strongly against the United States giving assistance to underdeveloped countries?

Strongly in favor — 16
Somewhat in favor — 52
Somewhat against — 19
Strongly against — 9
Not sure — 4

14b. *Why do you feel that way?

The wealthy should help the poor; people should help each other, we should share, feed hungry people, they need it — 27
We should help our own first, take care of our own — 17
It's our obligation, responsibility, Christian duty, it is our moral duty — 11

15a. Here are some statements concerning the total United States budget for fighting hunger and poverty both domestically and internationally. With which statement do you agree the most?

The total budget should be used for domestic poverty — 13
A small percentage of the budget should be used to fight poverty in other parts of the world — 55
The budget should be divided about fifty-fifty between the poor of the U.S. and the poor in other parts of the world — 18
The budget should be divided proportionally so that most of it would go to help the poor in other parts of the world — 6
Not sure — 8

15b. If you were told that 95 per cent of the poor people in the world lived in other countries, and the United States had only 5 per cent of the world's poor, would you reconsider your distribution of money?

Yes, would reconsider — 26
No, would not reconsider — 59
Not sure — 15

15c. Now, considering these statements

once again, with which statement do you agree the most? (Asked of those who answered "yes" to above question.)

The total budget should be used for domestic poverty	4
A small percentage of the budget should be used to fight poverty in other parts of the world	9
The budget should be divided about fifty-fifty between the poor of the U.S. and the poor in other parts of the world	35
The budget should be divided proportionally so that most of it would go to help the poor in other parts of the world	53
Not sure	5

16a. As you probably know, the United States is only one of many countries that has economic foreign assistance programs. When you compare the wealth of the United States to that of other wealthy countries, such as Sweden or Canada, would you say our economic foreign assistance budget is relatively greater than, about the same, or less than foreign assistance programs of other wealthy countries.

Greater	69
Same	11
Less	2
Not sure	18

16b. And, in your opinion, *should* our economic foreign assistance budget be greater than, about the same, or less than other countries in comparison with our wealth?

Greater	20
Same	55
Less	12
Not sure	13

17a. Some people have said that there will always be wealthy people and there will always be poor people. Do you believe that poverty could be virtually eliminated in the United States within the next fifty years, or not?

Poverty could be eliminated	38
Poverty could not be eliminated	56
Not sure	6

17b. And do you think poverty could be virtually eliminated in the world within the next fifty years?

Poverty could be eliminated	15
Poverty could not be eliminated	76
Not sure	9

17c. Would you say that the gap between the rich and poor people in the United States has widened in the past ten years, is about the same, or that the gap between rich and poor people in the United States is narrower than ten years ago?

Gap has widened	34
Gap about the same	31
Gap is narrower	28
Not sure	7

17d. And would you say the gap between rich countries and poor countries has widened in the past ten years, is about the same, or that the gap between countries is narrower than ten years ago?

Gap has widened	31
Gap about the same	33
Gap is narrower	19
Not sure	17

18a. When the United States gives economic assistance to underdeveloped nations, would you say that it is mostly in the form of loans that are supposed to be repaid, or do you think it is mostly in the form of grants that do not have to be repaid?

Loans	35
Grants	47
Neither	9
Not sure	16

18b. And if you were to choose the kind of financial assistance we give to underdeveloped nations, do you think it should be mostly as loans, or mostly as grants that do not have to be repaid?

Loans	68
Grants	17
Neither	5
Not sure	11

18c. For loans that we have already given underdeveloped countries, do you feel that the loans are usually completely repaid, mostly repaid, only partially repaid, or not repaid at all?

Completely repaid	4
Mostly repaid	5
Partially repaid	51
Not repaid at all	31
Not sure	10

19a.* If you had to explain to someone why poor people are poor, what would you say?

Lack of education, ignorance, illiteracy	43
Lazy, no ambition, no drive, don't get out and work, want to be poor, prefer welfare	40
Lack of opportunity, never had a chance, can't get decent jobs, don't have equal opportunity	25
They are born into it, the only life they know, it's environmental, they inherit it	19

19b.* As you know, there are many countries in the world that are underdeveloped. How would you describe an underdeveloped country? What are some of the main characteristics of an underdeveloped country?

Poor educational facilities, uneducated, illiterate	40
Not enough technology, manufacturing, industry, no exports for trade	24
Poor economy, low standard of living, poverty stricken	20
Can't feed their own people, hunger	19
Limited natural resources, poor land, no tools	12
Bad housing	12
Poor government, unstable governments that exploit	12
Do not use their resources to the fullest, do not work up to their potential	11
Poor medical facilities, much illness, disease, high mortality	10

19c.* What would you say are the most important reasons for a country like ours to help an underdeveloped country?

For moral, humanitarian reasons; our responsibility. We should, ought to. They need it. We should help mankind	29
To help them help themselves, to make them self-sufficient	18
We have so much, have disproportionate share of wealth. Help balance wealthy nations and poor nations	13
To have them as friends, allies; we may need help someday	10

20. Here is a card with different statements concerning help given to underdeveloped countries. Which statement comes closest to your own view?

Underdeveloped countries can make it on their own without help from the outside	6
Underdeveloped countries need a little help from the outside to get to the point when they can stand on their own	50
Underdeveloped countries will need a great deal of help for a long time before they can become self-sufficient	30
No matter how much help underdeveloped countries are given, they will never be able to make it without help from the outside	9
Not sure	5

21a. This is a list of some of the things that can be done as foreign assistance. Considering aid for medical care, would you say that it is a very effective form of assistance, somewhat effective, or not effective at all in helping underdeveloped countries? (Asked for each type of assistance listed.)

RESPONSES TO QUESTIONS 21a, 21b, AND 21c

[In percent]

	Very effective	Somewhat effective	Not effective	Not sure	Favor most	Favor least
Send medical help, doctors, and nurses	63	31	4	3	52	1
Encourage investment of U.S. corporations in these countries	22	43	21	14	8	21
Lower tariffs, open trade	22	44	14	20	5	11
Send machinery	40	43	12	5	8	8
Aid in birth control	50	28	13	9	26	9
Give financial grants	21	41	27	11	6	34
Send food, clothing	53	38	7	2	27	4
Train their students in our universities	55	31	9	6	29	7
Send technicians, engineers	49	37	8	6	16	4
Provide military training and equipment	11	33	45	10	1	49
Send teachers, books	59	33	5	4	27	3
Provide spiritual training, missionaries	38	37	20	6	13	18
Help underdeveloped countries sell their products in the United States	34	44	12	10	8	11
Provide low-interest loans	32	44	14	10	9	13
Send tractors, fertilizers, seed	53	35	7	5	19	6

21b. Now, which two or three of the methods of assistance listed here would you favor the most as foreign assistance policy for the United States?

21c. And which two or three of the methods of assistance listed here do you favor the least as foreign assistance policy for the United States?

22. Now here is a card with a scale on it from minus three to plus three. I am going to read you some words and I want you to tell me how you feel about the words. If you have strong positive feelings about the word, you would say plus two or plus three. If you have strong negative feelings, you would say minus two or minus three. If you have mild feelings one way or the other, you would say plus one or minus one. If you have no feelings about the word, say *zero*. If you don't know the word, just say so. Now, for the word *cooperation*, what number on the scale would you select?

[In percent]

	Negative				Positive			Don't know word/not sure
	−3	−2	−1	0	+1	+2	+3	
Cooperation	2	3	3	7	16	31	34	5
Foreign assistance	8	11	11	8	32	20	8	4
Development	2	1	3	9	26	30	23	5
Foreign aid	8	9	12	8	32	19	7	4
Capitalism	10	8	12	22	14	10	10	13
Social justice	4	3	4	14	18	17	27	13
Free trade	4	6	9	17	25	18	13	10
Population control	4	2	4	10	18	18	38	5
Isolationism	18	12	13	23	7	4	3	20
United Nations	6	4	7	14	23	19	21	6
Import taxes	4	6	11	20	24	16	9	11
Communism	42	11	14	12	5	4	7	5
Protectionism	5	4	9	22	15	10	11	22
Redistribution of wealth	12	8	9	21	16	10	12	13

23a. Here is a list showing different groups that help people in underdeveloped countries. For each group mentioned on the list, do you think the job it does in helping people in underdeveloped countries is very effective, only somewhat effective, or not effective at all?

[In percent]

	Very effective	Somewhat effective	Not effective	Not sure
Peace Corps	50	38	6	6
Religious groups	33	48	13	6
World Bank	11	30	16	43
YMCA/YWCA	18	39	18	25
United Nations	29	43	17	11
U.S. corporations	15	45	19	21
CARE	50	37	5	8
Private foundations	17	46	15	22
Red Cross	51	33	10	6
UNICEF	38	34	7	21

23b. It has been suggested that the United States government should give more of its foreign assistance money to organizations like the ones on this list and give less money directly to the countries. Do you feel that the U.S. government should give money to organizations or should it give the money directly to the governments of the countries themselves?

Give money to organizations	57
Give money to countries	22
Not sure	21

23c. If the U.S. government did decide to give more foreign assistance money to organizations like those on the list, which two or three organizations would you favor the most for receiving money?

Peace Corps	57
Religious groups	29
World Bank	6
YMCA/YWCA	8
United Nations	13
U.S. Corporations	3
CARE	46
Private foundations	6
Red Cross	46
UNICEF	28
Other (write in)	1
Not sure	5

24a. Have you ever personally contributed money to an organization that works to help people in underdeveloped countries?

Have contributed	74
Have not contributed	22
Not sure	4

24b. To which organizations have you contributed money? (Asked of those who answered "Have contributed" to above question.)

Peace Corps	8
Religious groups	39
World Bank	1
YMCA/YWCA	12
United Nations	2
U.S. Corporations	1
CARE	33
Private foundations	6
Red Cross	64
UNICEF	50
Other	5
Not sure	1

25a. As you know, the United States puts import taxes, quotas, and other barriers on products coming in from various countries. Considering products coming from wealthy countries such as West Germany and Japan, would you say you strongly approve, mildly approve, mildly disapprove, or strongly disapprove of import restrictions on goods coming in from wealthy countries?

Strongly approve	44
Mildly approve	28
Mildly disapprove	9
Strongly disapprove	6
Not sure	12

25b. And considering the products coming in from underdeveloped countries, would you say you strongly approve, mildly approve, mildly disapprove, or strongly disapprove of import restrictions on goods coming in from underdeveloped countries?

Strongly approve	14
Mildly approve	30
Mildly disapprove	21
Strongly disapprove	18
Not sure	16

26a. There has been a great deal of discussion on the idea of free trade between the United States and underdeveloped nations—that is, the lowering or elimination of restrictions on products coming from these countries. Here are some of the things that have been said by people who favor free trade. Which one of these statements is the most important reason to favor free trade as far as you are concerned?

More export jobs	9
Helps underdeveloped countries	40
Lower prices	14
Stimulate competition	18
Not sure	18

26b. Now, here are some statements by those who oppose free trade. Which one statement is the most important reason to oppose free trade, as far as you are concerned?

Unfair competition	14
Intensity of problem of trade balance	14
Put American laborers out of work	49
U.S. too dependent	5
Not sure	18

26c. Now that you have read some of the arguments about free trade with underdeveloped countries, would you say you basically favor the idea of free trade, or oppose it?

Favor	41
Oppose	34
Not sure	25

26d. If American workers who lost their jobs because of free trade did not suffer any personal financial loss and were retrained in jobs equal to or better than their old ones, would you basically favor the idea of free trade, or oppose it? (Asked of those who were "opposed" or "not sure" in above question.)

Favor	44
Oppose	26
Not sure	30

27a. Have you ever traveled outside of the United States?

Yes, have traveled	52
No, have not traveled	48

27b. If you added together all of the time you have spent traveling, how much time would you estimate you have spent outside the United States? (Asked of those who answered "yes" to above question.)

One month or less	48
2–4 months	13
5–7 months	5
8–11 months	3
1 year or more	31

27c. Which parts of the world have you personally visited?

North America (Canada, Mexico)	71
Western Europe	26
Eastern Europe	11
Asia	9
Middle East	6
Far East	13
Central America	5
South America	7
Africa	5
Other	14

27d. Would you say that your traveling was mostly for business reasons, for educational purposes, to work abroad, for military service, or for pleasure?

Business	3
Educational	5
Work	3
Military or other government service	29
Pleasure	58
Not sure	1

28a. In which part of the United States did you spend most of your youth? The East, the South, the Midwest, or the West?

East	32
South	25
Midwest	29
West	12
Outside the U.S.	2
Not sure	—

28b. In your youth, did you live mainly in a city, in the suburbs, in a small town, or on a farm?

City	32
Suburb	15
Small town	28
Farm	24
Not sure	1

29. And would you say that in your youth your family was lower income, middle income, or upper income?

Lower income	39
Middle income	56
Upper income	4
Not sure	1

30a. Now I would like to know how im-

portant you feel television has been as a source of information for you in learning about the various problems in the world. Is television very important, somewhat important, or not important at all? How about the newspapers? Have they been very important, somewhat important, or not important at all as a source of information to you?

30b. And of these sources of information, which two or three would you say are the most reliable?

30c.* Why do you feel that these are the most reliable sources?

They are there, on the scene, on the spot; most coverage ---- 15
They are quick, up to date, inform me daily ---- 13
I'm exposed more to it, it's more accessible. That's where I get all my news; it's all we have ---- 12

30d. And which two or three of these sources would you say are the least reliable?

30e.* Why do you feel that these are the least reliable sources?

They are biased, onesided, prejudiced ---- 17
Based on opinions, their own views, exaggerations, other sources ---- 17
They give false information, not factual, not truthful, not always well informed ---- 12
Just don't read/listen to them, just don't rely on them ---- 12

[In percent]

	A. Importance					
	Very important	Somewhat important	Not important	Not sure	B. Most reliable	D. Least reliable
Television	64	29	6	1	64	11
Newspapers	62	31	7	--	52	16
Radio	42	41	16	1	27	7
School	40	34	22	4	13	6
Family	28	38	31	3	8	14
Friends	21	45	33	2	3	34
Church	23	36	38	3	12	16
Special meetings	12	29	53	6	4	22
Magazines	25	43	28	4	12	17
Books	30	40	27	3	10	9
Pamphlets and newsletters	16	40	39	5	4	30
Your work experience	25	32	38	5	8	14
Your personal experience	33	36	26	5	17	9

31a. And have you ever volunteered your spare time to an organization that was involved in helping people in underdeveloped countries?

Have volunteered ---- 17
Have not volunteered ---- 81
Not sure ---- 2

31b. If you were asked to give time to an organization that helped people in underdeveloped countries, would you be more willing to help an organization that was backed by our government or would you be more willing to help a private organization?

More willing to help government organization ---- 34
More willing to help private organization ---- 34
No difference ---- 19
Not sure ---- 13

32a. If you were asked to volunteer your time or contribute money, would you prefer to help poor people in the United States or would you rather help poor people in underdeveloped countries?

United States ---- 83
Underdeveloped countries ---- 6
No difference ---- 8
Not sure ---- 4

32b. Would you say that poor people in the United States basically have things better, about the same, or worse than poor people in other countries?

Better ---- 68
About the same ---- 23
Worse ---- 3
Not sure ---- 6

33. Now I am going to read to you a list of statements that have been made by other people we have interviewed. For each statement, I want you to tell me if you agree strongly, agree somewhat, disagree somewhat, or disagree strongly with the statement?

RESPONSES TO QUESTION 33

[Percent]

	Agree strongly	Agree somewhat	Disagree somewhat	Disagree strongly	Not sure
The United States already has a large budget deficit and cannot afford to help underdeveloped nations	23	29	29	11	8
Our Government should do more to encourage businessmen to invest in underdeveloped countries	19	36	20	12	14
The United States is doing more than its fair share in helping underdeveloped countries	50	29	12	3	6
If we do not help other countries, the Communists will take them over	37	29	17	9	8
Too much foreign aid is wasted in our own bureaucracy and never finds its way abroad	46	27	9	4	14
The United States exploits poor countries just to get what it needs	7	17	26	38	13
Too much of our foreign assistance money is kept by the leaders of poor countries and does not get to the people	46	30	6	2	16
Foreign aid should come from voluntary contributions rather than taxes	30	27	20	11	12
We help some countries because it is morally right to do so	31	45	11	5	8
It is more important to help the poor people in this country first before doing anything in foreign assistance	63	20	9	3	3
We help some countries because poverty breeds violence	28	40	13	7	11
The United States should pay back the money corporations lose when they are nationalized by other countries	4	9	22	42	23
Countries that receive foreign assistance should have the right to determine how to spend the money	12	29	26	22	12
It is really in the best interest of the United States to help poor countries	31	46	11	4	8
Without trade with other countries, the United States would suffer considerable economic hardships	33	33	15	7	12
The United States should help only those underdeveloped countries that will support a democracy	27	26	21	12	14

34a. As you know, many things have changed over the past ten years. Would you say your attitudes and opinions concerning the problems of the world are almost the same as those of the young people in your family, very much the same, fairly different, or completely different from those of the young people in your family?

Almost the same ---- 23
Very much the same ---- 25
Fairly different ---- 24
Completely different ---- 16
Not sure ---- 11

34b.* In what ways would you say that you are most different from the young people in your family in your feelings about the problems of the world?

We are about the same, don't really disagree ---- 23
Don't agree with their outlook on life, just different ---- 12
We differ on Vietnam, foreign policy; foreign aid ---- 10
No children or children too young ---- 10

35a. I'd like to ask in which countries your grandparents were born.

U.S. and North America ---- 65
Western European countries ---- 27
Eastern European countries ---- 10
Soviet Union ---- 2
Arab countries ---- 1
China and Far East ---- 1
Africa ---- 1
South America ---- 1
Central America ---- 1

[1] Less than 1 percent.

Other (specify) ---- 5
Not sure ---- 2

35b. And when you think back about your family heritage, with which countries of the world do you identify?

U.S. & North America ---- 36
Western European countries ---- 42
Eastern European countries ---- 10
Soviet Union ---- 1
Arab countries ---- **
China & Far East ---- 1
Africa ---- 4
South America ---- **

Central America	**
Other (specify)	7
Not sure	6

** (Less than one per cent)

36a. Would you say that you have ever personally experienced hunger and poverty?

Yes, have experienced	27
No, have not experienced	72
Not sure	1

36b. Have you ever lived in a situation where your neighbors suffered from hunger and poverty?

Yes, have	40
No, have not	58
Not sure	3

36c. Would you say you know a great deal about hunger and poverty, some but not much, or hardly anything?

Great deal	23
Some, but not much	51
Hardly anything	25
Not sure	1

37a. Are you registered to vote at this time?

Yes, registered	81
No, not registered	18
Not sure	1

37b. Are you registered as a Democrat, Republican, or Independent? (Asked of those registered to vote.)

Democrat	52
Republican	26
Independent	16
Other	3
Not sure	4

38a. Now here is a card with a scale describing the political views of different types of people. Where would you place yourself on the scale?

38b. And for the young members of your family, where would you say they are on the scale politically?

[In percent]

	(a) Self	(b) Young in family
Radical left:		
1	2	2
2	3	3
Liberal:		
3	11	14
4	8	8
Moderate:		
5	41	28
6	9	6
Conservative:		
7	15	9
8	2	1
Ultraconservative:		
9	1	1
Not sure	8	21

ANNEX B; SURVEY SAMPLING TECHNIQUE [1]

PHILOSOPHY UTILIZED IN SAMPLE DESIGN

The national sample cross section design has been done with the purpose of maximizing the useful stratification which may be employed to produce a sample with greatest accuracy for a fixed sample size. We have tried not to introduce excessive refinements, but have followed the stratagem of stratifying where possible and introducing random elements (which insure that we achieve a truly random sample that is projectible) at the lowest possible level.[2]

A careful examination of the distribution of the youth population (those eighteen to twenty-five years of age) and the adult population (eighteen years and older) has indicated that the distribution of these two segments does differ by fractions of a per cent, but there is no place where the difference is such that a separate sample for the two elements would be justified. Therefore, we have used the adult population as the basic frame for both samples. If we were dealing with a sample size of 50,000 or more, the theoretical imperfection of the youth sample using an adult sample framework might be great enough to cause us to change our basic strategy. But, in practical terms, with a sample size of 1,200 the standard error of estimate is of sufficient size to mask in an overwhelming fashion any imperfections which this frame represents for the youth sample.

STRATIFICATION OF THE NATIONAL SAMPLE

The stratification employed in the construction of this national sample follows the rough outlines of procedures for the development of national samples by the leading market research firms in the United States. These considerations deal with not only the potentially theoretically desirable stratifications, but also with the factors which have been found to really matter in a large number of sociological, business, and political inquiries implemented through the methodology of survey research.

The basic stratification employed is that of region within the United States. Repeatedly, differences in view have been exhibited among the East, Midwest, South, and West. We have followed the definition of these regions employed by the Census. Within a region the next most important differences in opinion have been those associated with the most urban and lesser urban parts. Thus the data on population has been stratified on the basis of cities, suburbs, other urban, and rural. This stratification is even more refined in the context that within a region cities have been ordered from largest to smallest, associated suburban parts also have been ordered from largest to smallest, and the other urban population strata have been geographically spread as have been the rural population strata. The strategy of organization is similar to that adopted by the Wooldridge Committee in its study of the National Institutes of Health Program.[3] This type of stratification scheme assures that every size of city, suburb, town, and rural area will be included within one percentage point of its actual distribution within the total population.

Once the adult population (for purposes of the general population sample, eighteen years and older) of the United States has been arrayed in this manner, a tape is prepared with each major unit (cities, suburbs, other urban by state, and rural by state) represented by proper subtotals. A random selection tape is constructed using the following device. In order to bring intra-cluster correlation effects to a minimum, and still keep costs of interviewing at a reasonable level, we selected a cluster size of six interviews, thereby requiring 200 sample points for a sample of 1,200 respondents. We then divided the total adult population of the United States eighteen years and older by 200. This number, the sampling interval, is then multiplied by a random number, to give a random starting point.

The above procedure defines the sample in terms of gross units. The sample is further refined by the use of tract and block information in those areas for which such information exists, in that the tract material can be accumulated to the actual point within the selected area, and hence unique blocks selected. Outside of tracted areas, similar techniques can be used to define explicit towns, or minor civil divisions, and random area's selection is made within these small units.

The result of utilizing these procedures can be seen in the following table which gives the characteristics of the U.S. adult population and corresponding sample points.

	U.S. adult population		Sample points	
	Number	Percent	Number	Percent
Total	133, 567, 845	100	200	100
East	33, 014, 905	25	49	25
Midwest	36, 732, 026	28	56	28
South	40, 959, 216	30	61	30
West	22, 861, 698	17	34	17
Cities	43, 599, 090	33	66	33
Suburbs	35, 204, 430	26	52	26
Other urban	20, 722, 528	16	32	16
Rural	34, 041, 797	25	50	25

The selection of households within the selected areas is done utilizing random starting points, and the selection of individuals within the households for interview is also done utilizing random selection procedures. From the random starting point, the interviewer is directed in a systematic manner, so that this freedom of choice in household selection is minimal.

Two call backs were made for selected households, and complete records were kept of the results of each attempt at contact. When the designated respondents were not at home, appointments were made, and call backs at the appointed time were employed. The call backs were spread over different times of the day to insure that there was a maximum chance of contact being made.

Two random selection procedures for respondents within a household were utilized, one for the adult sample and one for the youth sample. The basic difference in the procedures is that the eligibility of youth in the noncollege youth sample was restricted by age (eighteen to twenty-five years) and by the fact that they are not attending college.

THE COLLEGE YOUTH SAMPLE

The college youth sample was constructed by a random selection of students from college campuses. We obtained up-to-date enrollment figures from the National Center for Educational Statistics of the U.S. Department of Health, Education, and Welfare. These figures were used to build a frame stratified by region, type of college (public or private), and by size of college within region within type. From this frame, forty colleges were selected and ten students were interviewed at each college.

PROCEDURES FOR FINAL ANALYSIS

All college youth were obtained from the college youth sample, and no college youth were obtained in the eighteen to twenty-five year old youth national cross section. These two segments were melded in appropriate proportions to obtain the material for the aggregate youth sample.

Similarly, the youth sample was appropriately weighted into the adult national cross section.

After weighting had been applied, the youth sample and adult sample were completely projectible to their respective populations.

Both the adult sample and the youth sample are of nominal size (1,200), and the weighting procedures applied did not change this nominal effective size very much. The standard error is very near the value of 1.7 per cent, which could be expected from a sample of 1,200 with this degree of clustering.

[1] Excerpted, with minor revisions, from the study on American attitudes toward international development conducted by Peter D. Hart Research Associates, Inc., Washington, D.C. for the Overseas Development Council (1972).

[2] W. G. Cochran, *Sampling Techniques*, 2nd ed. (New York: John Wiley & Sons, Inc., 1973).

[3] *Biomedical Science and Its Administration*, A Study of the National Institutes of Health, Report to the President, February 1965.

GENERAL POPULATION SAMPLE[1]

	Sample size	Percent
Total	1,203	100
Sex:		
Male	593	50
Female	605	50
Age:		
18 to 25	242	20
26 to 35	278	23
36 to 50	334	28
Over 50	333	28
Education:		
College graduates	154	13
Some college	137	11
High school graduates	440	37
Non-high school graduates	360	30
Occupation:		
Professional/executive	267	23
White collar	172	17
Blue collar	438	24
Income:		
Under $7,000	359	30
$7,000 to $15,000	430	45
Over $15,000	245	20
Race:		
White	1,044	87
Black	129	11
Other	23	2
Region:		
Northeast	291	24
North-central	341	28
South	361	30
West	209	18
Size of place:		
City	377	33
Suburban	291	26
Town	177	16
Rural	275	25
Religion:		
Protestant	727	61
Catholic	298	25
Jewish	27	2
Other	69	6
None	73	6

[1] The sample was weighted by age. All of the numbers shown here are adjusted by the weighting process. See the section on "weighting" for greater detail.

YOUTH SAMPLE OVERVIEW

	Sample size	Percent
Total	1,222	100
Sex:		
Male	623	51
Female	594	49
Age:		
18	203	17
19	178	15
20	147	12
21	173	14
22	107	9
23	94	8
24	137	11
25	170	14
Race:		
White	1,057	87
Black	134	11
Other	22	2
Marital status:		
Married	444	37
Single	742	61
Other	28	2
Region:		
Northeast	292	24
North-central	336	28
South	348	28
West	246	20
Size of place:		
City	273	34
Suburban	217	27
Town	123	15
Rural	196	24
Family income:		
Under $7,000	337	28
$7,000 to $15,000	458	38
Over $15,000	322	26
Religion:		
Protestant	559	46
Catholic	323	27
Jewish	46	4
Other	102	8
None	184	15
College experience	703	58
Noncollege	519	42
In college now [1]	413	34
Freshman	114	28
Sophomore	100	24
Junior	84	20
Senior	72	17
Graduate student	43	10
Major:[1]		
Humanities/social science	126	31
Science/math	50	12
Business	55	14
Engineering	23	5
Education	60	14
Other	94	23
Size of school:[1]		
Under 6,500	123	30
6,500 to 20,000	137	33
Over 20,000	153	37

[1] Percentages based on students only.

WEIGHTING

A complete study of approximately 1,200 people between the ages of eighteen and twenty-five was conducted separately from the general population study. A separate sampling of individuals over twenty-six years of age was conducted simultaneously. A total of 999 people over age twenty-six were interviewed. To meld these two studies together in proper proportion so that we would have an accurate general population sample of 1,200 respondents, it was determined that we would weight the youth sample by a factor of two tenths. Thus, overall, the general population sample is a statistically reliable cross-section of all adult Americans over the age of eighteen. For the youth study, the sample did not require weighting.

ANNEX C: SAMPLING ERROR AND STATISTICAL SIGNIFICANCE TABLES

SAMPLING ERROR

Although many people find it hard to believe that a sample of 1,200 can represent the population of the United States, this is nonetheless statistically true. However, in reading the data, it should be kept in mind that the results are subject to sampling error. i.e., the difference between the results obtained from the sample and those which would be obtained by surveying the entire population. The size of a possible sampling error varies to some extent with the size of the sample and with the percentage giving a particular answer. The following table sets forth the range of error in samples of different sizes and at different percentages of response. Thus, for example, if the response for a sample size of 1,200 is 30 per cent, in 95 cases out of 100, the response in the population will be between 27 per cent and 33 per cent.

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR (PLUS OR MINUS) AT 95 PERCENT CONFIDENCE LEVEL

	Sample size				
Percent of response	1,200	900	500	250	100
10 percent (90 percent)	2	2	3	5	7
20 percent (80 percent)	3	3	4	6	10
30 percent (70 percent)	3	4	5	7	11
40 percent (60 percent)	3	4	5	7	12
50 percent	3	4	5	8	12

SIGNIFICANCE OF DIFFERENCE

When is a difference between two results significant? As in the case of sampling error, the answer depends on the size of the samples involved and percentage giving a particular answer. The following table has two charts, one showing the significance of difference between different-sized samples when the per cent giving an answer is near 50 per cent and the other showing the significance of difference when the per cent giving an answer is near 20 per cent or 80 per cent. Thus, for example, if one group of size 900 had a response of 56 per cent "yes" for a question and an independent group of size 250 had a response of 43 per cent "yes" for the same question, in 95 cases out of 100, the difference in the "yes" response rate for these two groups would be 13 per cent (56 per cent minus 43 per cent), plus or minus 8 per cent, or between 5 per cent and 21 per cent.

RECOMMENDED ALLOWANCE FOR SIGNIFICANCE OF DIFFERENCE BETWEEN 2 PERCENTAGES AT 95 PERCENT CONFIDENCE LEVEL

1st sample size/2d sample size	1,200	900	500	250	100
Percent of response near 50 percent:					
1,200	5	5	6	8	12
900	5	6	7	8	12
500	6	7	7	9	13
250	8	8	9	11	14
100	12	12	13	14	17
Percent of response near 20 or 80 percent:					
1,200	4	4	5	7	10
900	4	4	5	7	10
500	5	5	6	7	10
250	7	7	7	8	11
100	10	10	10	11	13

ANNEX D: THE SYMPATHY AND INFORMATION INDICES

SYMPATHY INDEX

The sympathy index is a measurement of a respondent's basic attitudinal orientation to assisting the process of development in the poor countries. This index was developed from a selection of the nine survey questions thought to be the best indicators of public opinion on both governmental and personal commitment to solving global poverty problems.

Respondents could score a minimum of zero and a maximum of four on each of the nine questions. The maximum score, indicating support for development issues examined, was thirty-six points; the lowest possible score of zero indicated basic opposition to development concerns. Obviously, no single response by itself offers an accurate indication of development sympathy or opposition. Yet, if a respondent scored twenty or higher on the index, he was designated as being in basic sympathy with the problems of poor countries and peoples and desirous of assisting those countries in solving their problems. (Such a respondent would support a vigorous U.S. international effort on trade and assistance policy.) The nine questions comprising the index are listed below.

1. How much do you feel the United States government is doing at this time to fight domestic poverty? Is it doing more than it should (0 points), about the right amount (2 points), or less than it should (4 points)?

2. Do you think our government is doing more than it should (0 points), about the right amount (2 points), or less than it should (4 points) to fight poverty in other parts of the world?

3. In your honest opinion, is your own personal commitment to help solve the problems of hunger and poverty in the world very strong (4 points), fairly strong (2 points), or not strong at all (0 points)?

4. If you were to set priorities, which two or three problems on the list should receive top priority consideration in your opinion? Answer: Hunger and poverty (4 points).

5. Concerning the United States giving foreign assistance—would you say you were strongly in favor (4 points), somewhat in favor (3 points), somewhat against (1 point), or strongly against (0 points) the United States giving assistance to underdeveloped countries?

6. Considering the products coming in from underdeveloped countries, would you say you strongly approve (4 points), mildly approve (3 points), mildly disapprove (1 point), or strongly disapprove (0 points) of import restrictions on goods coming in from underdeveloped countries?

7. Do you agree strongly (0 points), agree slightly (1 point), disagree somewhat (3 points), or disagree strongly (4 points) with the following statement: the United States already has a large budget deficit and cannot afford to help underdeveloped countries?

8. Do you agree strongly (0 points), agree

slightly (1 point), disagree somewhat (3 points), or disagree strongly (4 points), with the following statement: the United States is doing more than its fair share in helping underdeveloped countries?

9. Do you agree strongly (4 points), agree slightly (3 points), disagree somewhat (1 point), or disagree strongly (0 points), with the following statement: we help some countries because it is morally right to do so?

The sympathy index is most useful in showing different levels of response of various socio-economic groups. This index only indicates relative support on a broad range of issues comprising the needs of the underdeveloped countries today. Absolute support for specific aid proposals is discussed in Chapter III.

An individual was considered basically unsympathetic on international development issues if he scored fourteen or lower on the sympathy index. Someone who scored between fifteen and nineteen was considered "uncommitted"—i.e., ambivalent to the problems of the poor countries.

An analysis of answers to the individual questions comprising the index reveals that those social groups—persons of a certain age, party, or education—with higher percentages of pro-development answers than others on one question will similarly score comparatively high on other questions. For example, 63 per cent of the college graduates sampled were in favor of the United States giving foreign aid (Question 5), while only 50 per cent of those who have not completed high school answered similarly. In contrast, the question about the United States doing its fair share for development (Question 8) showed lower support for development than demonstrated by any other question on the index. Just 21 per cent of the college graduates felt that the United States was doing less than its fair share—but only 6 per cent of those who have not completed high school felt likewise. Therefore, answers to both questions show higher support among college graduates for improving the lot of the poor countries than among any other educational category. This pattern is similar for six of the nine individual questions, as well as for the whole index itself.

Thus the sympathy index conveniently summarizes the results of the individual questions. The index was composed independently of the survey results; had questions 3, 4, and 9 not been included in the index, correlations shown in Chapter VI would be far stronger.

INFORMATION INDEX

The second index developed for the analysis of the data of this survey was called the information index. While this survey was not conducted for the primary purpose of determining how much Americans knew about the objective facts and figures of development, a number of questions in the survey did provide us with some measure of how well informed the public is on development issues. We already know from previous surveys cited in this monograph that very few Americans have over the years consistently scored high on information questions regarding the foreign assistance program. Alfred Hero states, "Less than one adult out of ten has known or guessed within a billion dollars of the correct figure of the overall aid budget. Similarly, small minorities have known or guessed, that foreign aid has constituted less than 5 per cent of the national budget, or less than one per cent of the GNP. . . ." We did not, therefore, repeat objective questions of that nature. We did, however, examine the level of public awareness on a few of the issues which one would expect a "well-informed" public to score high. The five questions comprising this index are shown below.

1. Which two or three countries on the list have the highest standard of living?

Argentina, Bangladesh, Bolivia, Brazil, Chile.

Mainland China, Egypt, India, Indonesia, Kenya.

Nigeria, Pakistan, Peru, South Africa, South Korea.

Soviet Union, Tanzania, None of the Above, Don't Know.

Answer: Any 2 of the following countries: Soviet Union, Argentina, South Africa, Brazil, Chile (2 points).

2. Which two or three countries would you say have the lowest standard of living?

Answer: Any two of the following countries: Tanzania, Nigeria, India, Bangladesh, Indonesia, Pakistan (2 points)

3. If you were to estimate the number of people in the world who are now living in underdeveloped countries, what would you say: Less than 10 percent, about one quarter, about one half, about three quarters, about ninety per cent, not sure?

Answer: About three quarters (3 points)

4. As you probably know, the United States is only one of many countries that have economic foreign assistance programs. When you compare the wealth of the United States to that of other wealthy countries, such as Sweden or Canada, would you say our economic foreign assistance budget is relatively greater than, about the same, or less than foreign assistance programs of other wealthy countries?

Answer: Less than (1 point)

5. For loans that we have already given underdeveloped countries, do you feel that the loans are usually completely repaid, mostly repaid, only partially repaid, or not repaid at all?

Answer: Completely repaid (1 point)

An individual who scored nine on the information index received a perfect score. Any respondent who scored five or above was judged to be informed on development issues. Similarly, anyone who scored zero was judged to be uninformed on development issues. Since each of the information index questions does not carry the same importance as a gauge of development information awareness, different values or weights were assigned to the scoring of the five questions. Question three, regarding the population size of the developing world relative to that of the industrialized world, was judged to be the most important question for an informed respondent to answer correctly and was therefore assigned a weight of three points. Questions one and two, regarding the relative wealth and poverty of a number of countries, were considered next in importance on the information index and were assigned weights of two points each. Questions four and five were judged non-essential increments of information for a respondent to have and hence were assigned weights of one point each.

Only those questions considered to be clearly objective and to measure relatively important facts for an informed respondent to know were selected for use in the information index. Since the information index was not intended to be a precise mechanism for determining the knowledge of respondents, we chose to analyze only the responses at each extreme of the index—i.e., those respondents very informed, and those very uninformed scoring zero.

THE USE OF COAL TO HELP SOLVE THE ENERGY CRISIS

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, 6 months ago an outstanding leader in the electrical energy industry of the United States prepared a "Memorandum on a Program for Immediate Action to Significantly Defuse the Threatened Energy Crisis." This memorandum was sent to over 30 leaders of industry and government.

The plan proposed by Mr. Sporn is just another example of the great vision this gentleman has exhibited concerning important steps which this Nation must take. Unfortunately, 6 months later, we still have not done anything to carry out Mr. Sporn's plan. More unfortunately, since Mr. Sporn submitted his plan, the interruption of our Mideast fuel supplies has made the matter a great deal worse.

Mr. Sporn's plan concerns the immediate construction of 40,000 megawatts of coal fueled generating capacity in 10 regions of the country. Full well realizing that the leadtimes for such an effort will require 4 or 5 years, it is one of the two major things we can do to help ourselves out in this impending energy crisis. The only significant road to alleviating our energy problems, in addition to conservation, is the immediate construction of coal and nuclear fueled electrical generating plants. Such plants do not require any research and development nor do they involve any dependence on foreign nations for their design, construction, and operation.

The plan proposed by Mr. Sporn would add 40,000 megawatts of generating capacity. This capacity will generate the same amount of electricity as would be generated in oil-fired plants requiring the combustion of one-half billion barrels of oil a year. The significance of Mr. Sporn's plan in this light is obvious.

I request permission to print in the RECORD at this time for the benefit of all my colleagues, a copy of Mr. Sporn's June 1, 1973, plan, for immediate action to help in our energy crisis.

MEMORANDUM ON A PROGRAM FOR IMMEDIATE ACTION TO SIGNIFICANTLY DEFUSE THE THREATENED ENERGY CRISIS

At the latest meeting of the General Technical Advisory Committee to the Office of Coal Research, George Fumich asked the members to give their ideas on what OCR can propose in the current disturbed and disturbing energy situation. What follows is an attempt to comply with that request.

OCR was created to bring some relief to the economically depressed coal industry and particularly to the Appalachia area. Today, some twelve years later, when we are on the threshold of producing some results, it is clear that the beneficiary of its research program will be not so much the coal industry as the country as a whole. For the first time in its history as a high energy using society the country is on the brink of an energy crisis which, if allowed to fully develop, could be deeply disturbing to the entire national economy, indeed to our whole style of living and to our functioning in the society of nations.

This threatened crisis has resulted from the conjoining of a series of developments among which are acceleration in growth in our total energy requirements, increase in our electric energy use even above the long time historical record of an annual rate of 7.2%, growth in our oil and gas use while our endemic supply of these two important energy components is declining, and relative decline in our use of coal. Of these the latter is, perhaps, the most disturbing.

Everybody agrees that if the threatened crisis is to be diverted for the immediate future it will have to be brought about by greater reliance on coal. Yet the sad fact is that use of coal is declining and coal

mined for the first four and a half months of 1973 is 7.2% below the corresponding period of 1972.

If we have to rely more and more on foreign imports of gas and oil, the two largest components of our total energy, to keep our energy supplies in balance, we are going to be confronted with a series of developments in the political and economic affairs of the country fraught with the greatest danger. To avoid this we must increase the contribution coming into our total energy system from nuclear and coal sources. In this memorandum I want to concentrate on the coal contribution.

I believe the time has come when the country must make a very sharp and significant commitment to coal and lay down a program under which we shall make clear not only to our own people but to the entire world that we have the coal resources and we are going to utilize them to avoid the consummation of these crisis inducing developments.

The specific program I would urge is that OCR act as the catalyst to bring about a commitment to build ten large (about 4,000 mw each) regional power plants burning coal. In some regions a full plant could be built, owned, and operated by the largest utility in the region. Examples of such companies are TVA, the Southern Company, American Electric Power Company, Commonwealth Edison Company, Southern California Edison Company.

In other regions, a regional generating company, with undivided interests among its group of member companies as typified by some of the relatively recently organized companies in western Pennsylvania, might be the best mechanism. The exact form in each of the regions could best be determined by the existing electric energy producers of the region.

These plants, operating at a capacity factor of 75%, will generate approximately 275 billion kwh and will consume 10 million tons of coal per plant per year, or a total 100 million tons. This will result in displacing 400 million barrels of oil per year, most of which will otherwise be committed for future oil burning plants.

Most of the coal that will carry out this displacement will be mined from reserves lying east of the Mississippi. Where normally the sulphur content is above 2%, it will be washed down to 2%, which is technically feasible and environmentally adequate, provided the required SO_2 limitation is taken care of by tall stacks.

As part of the environmental protection program, it is proposed to build at each plant an elaborate system of observation and monitoring so as to be able to trace the effect of the SO_2 from the time it leaves the stack until it has been completely diffused in the atmosphere or absorbed within the surrounding ecological systems.

The problems in planning such a program are going to be numerous and difficult but not insoluble, particularly so if the project is organized with full consideration given from the beginning to all the social, economic, and technical questions that will be raised. The planning of the organization of the regional groups for absorbing each regional plant's output, of sites of the plants themselves, of the transmission of the energy, the providing of the necessary heat sinks (which can be handled by dry cooling towers), the development of the necessary mining capacity, and the transportation facilities of the fuel to the extent it is not mouth of mine, all this can go on simultaneously.

While no detailed estimates of capital costs have been made, a rough evaluation of cost may be of interest. This can be broken into the following four components whose cost per kw and total costs are given in the table below:

	Cost per kW	Total cost (billions)
10—4,000 MW plants	$175.00	$7.00
100,000,000 tons of coal per year	[1] 15.00	1.50
Transmission	25.00	1.00
Instrumentation	5.00	.20
Total		9.70
Total per kW	242.50	

[1] Cost expressed as dollars per ton per year.

Under present conditions this is certainly a reasonable cost.

The announcement of such a program could be one of the most salutary items in the history of the country. It would be notice to the entire nation that we do not propose to stand by, while we have the necessary resources, in trembling and fear for the consequences of their use, when such use will be made intelligently, knowledgeably, and responsibly. It would be notice to the world that we are not going to permit anything to develop that will fracture the continuity of the United States moving forward as the great nation that it now is. It would be notice to the foreign energy producing countries that the idea of using the monopoly control in one primary fuel to control the very life of a country like ours or of other industrially advanced countries is a dangerous illusion. Any such ill advised effort can only end in failure, provided it is countered by a firm determination on the part of the threatened country to find alternative sources of primary energy that are endemic, entirely within its own control, and sufficient to take care of its needs.

We can do all that. But we cannot wait much longer before we start.

SITING AND LICENSING OF NUCLEAR POWERPLANTS

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, I am introducing today a bill to amend the Atomic Energy Act to restructure the AEC licensing process. Congressman CHET HOLIFIELD and Congressman CRAIG HOSMER have joined me on this bill.

The purpose of this amendment is to provide the means of expediting the AEC licensing process consistent with due consideration of environmental requirements and the rights of persons whose interests are affected by the granting of an AEC construction permit or operating license.

As Chairman of the Joint Committee on Atomic Energy, I plan to hold a series of hearings on the problems associated with the siting, construction and operation of nuclear powerplants, including consideration of this bill and other measures proposed to expedite the licensing and construction process.

Mr. Speaker, with the energy crisis which we have been predicting for some time now upon us, it is imperative that measures to get nuclear electric powerplants sited and constructed and operated more expeditiously be undertaken. Every year we can shorten the span of time required to order, license, construct and begin operations of the nuclear powerplants in the United States means the savings of millions of gallons of oil which would otherwise be required to produce the needed electric power and which would come from foreign sources.

Mr. Speaker, the joint committee has been requesting the Atomic Energy Commission for almost a year to come forth with measures, including proposed legislation, to expedite the licensing and construction process of nuclear powerplants. But so far all we have received are copies of speeches and messages, with no concrete proposals.

I am hopeful that the bill I am introducing will stimulate consideration of this matter by the Commission and the nuclear community so that we can come up with necessary improvements in the licensing process in the next session.

The background of the proposed bill goes back to proposals made by former Commissioner James T. Ramey in 1969 before the Federal Bar Association to provide for environmental proceedings on the "early siting" of nuclear powerplants, followed by expedited construction permit proceedings, and finally limited proceedings at the operating licensing stage. Proposed legislation to carry out these purposes was introduced by the administration in 1971 and again in 1972. Nothing was introduced by the administration in 1973.

The President, however, in his most recent energy message did establish a goal of cutting back on the timespan from ordering a nuclear plant to operation from 9 or 10 years to 6 years. We are looking forward to administration proposals to achieve this objective.

Certainly it should be possible to shorten the timespan of 9 or 10 years to get additional nuclear powerplants constructed and operating. The original Shippingport plant took less than 4 years to build and plants built in the mid and late 1960's took only around 5 years. In Japan, nuclear plants of U.S. manufacture still take only 4 years.

The key to the proposed revisions in the bill I have introduced is the use of the judicial type of "early site" hearing on the environmental aspects of the selection of a nuclear powerplant site, and then provide for "legislative type" hearings in regard to the construction permit and operating license for nuclear powerplants. Provision is made for encouraging the construction of approved standardized plants, which should lessen or eliminate questions as to the safety of individual plants in licensing proceedings. Provision is also made to require threshold showings by intervenors as to realistic safety questions before these matters can be raised in a licensing proceeding.

Any legislation must recognize that there will be a transitional period while AEC and the nuclear industry are developing standardized plants and an inventory of approved sites. I hope that AEC regulations under my proposed amendments would have the necessary procedural flexibility to cover this transitional period.

Mr. Speaker, all of us believe that all environmental and safety questions should be carefully considered in AEC licensing proceedings. But counsel for intervenors have on occasion abused their rights, and have used the threat of delay to bargain for unrelated objectives. This happened in regard to operating licenses

on the Palisades and Point Beach and other plants. It has been happening more frequently in relation to construction permits. The Shoreham and Midland cases are examples of the delays here. We are also beginning to hear of potential and possible actual delays due to antitrust considerations. These should be considered also.

In any hearings on nuclear licensing improvements, the role of State siting agencies should, of course, be considered. In this connection, I am hopeful that proposed legislation by Congressman MIKE MCCORMACK can be prepared and considered.

Of great importance is the fact that the delay syndrome has affected the whole site selection and construction and licensing process. Commissioner Doub and former Commissioner Ramey have pointed out the delays by the Commission itself by its time-consuming questions and answers and ratcheting of requirements. Industry and labor have also had their problems of meeting schedules and providing adequate quality assurance.

I expect that the joint committee will explore all these matters in the hearings which we will hold. I have today introduced legislation concerning siting of nuclear powerplants.

I would like to have printed in the RECORD a brief analysis of the provisions of the bill:

ANALYSIS OF PROPOSED LEGISLATION

The Atomic Energy Act of 1954, as amended, prohibits, except as provided in section 91, the transfer or receipt in interstate commerce, manufacture, production, transfer, acquisition, possession, use, import, or export of any utilization or production facility except under and in accordance with a license issued by the Atomic Energy Commission (section 101). Utilization and production facilities are defined in sections 11 v. and 11 cc. of the Act and include, among other things, nuclear power reactors; nuclear testing, research and medical reactors; and nuclear fuel reprocessing plants.

The Act also provides (section 185) that applicants for licenses to construct or modify production or utilization facilities shall, if the application is otherwise acceptable to the Commission, be initially granted a construction permit. Upon completion of the construction or modification, upon the filing of any additional information needed to bring the original application up to date, and upon finding that the facility has been constructed and will operate in conformity with the application, as amended, the provisions of the Act, and the Commission's rules and regulations, and in the absence of any good cause shown to the Commission why the granting of a license would not be in accordance with the provisions of the Act, the Commission is directed to issue a license to operate the facility to the applicant.

Section 189 of the Act requires the Commission to hold a hearing after thirty days' notice and publication in the Federal Register on each application for a *construction permit* for a production or utilization facility under section 103 or 104 b. and on any application for a construction permit for a testing facility under section 104 c. When such a hearing has been held, the Commission may, in the absence of a request for a hearing by any person whose interest may be affected by the proceeding, issue an *operating license* for such facility without a hearing, but upon thirty days' notice and publication once in the Federal Register of its intent to do so.

The proposed legislation would amend section 189 a. of the Act to expressly authorize the Commission in connection with construction permit proceedings to hold separate hearings on the environmental aspects of a proposed plant and site and the radiological safety aspects of the proposed plant, respectively. This language clarifies and confirms authority the Commission already has. The legislation further provides that where AEC has approved a site from an environmental standpoint in which a regular quasi-judicial hearing is held, then no mandatory hearing is required on the radiological safety of the proposed nuclear power plant. The legislation further provides that with thirty days' notice, any person whose interest may be affected by the proceeding and who can show that there is an unresolved radiological question significantly affecting the public health or safety, may require a hearing. Such a hearing will be of the "legislative type" if the applicant has submitted a standardized plant of the type approved by AEC.

The proposed legislation would amend section 189 a. of the Act to permit, in cases in which a construction permit for a facility pursuant to section 103 or 104 b., or for a testing facility pursuant to section 104 c. had been issued following the holding of a hearing, the issuance of an operating license or an amendment to a construction permit or an amendment to an operating license without a hearing except in proceedings in which a prima facie showing is made by a person whose interest may be affected by the proceeding that (1) a specifically identified question substantially affecting the public health and safety, or the common defense and security, or the protection of the environment was left unresolved in connection with the most recent licensing action in the proceeding or (2) as a result of a significant advance or change in the technology occurring after the most recent licensing action in the proceeding, the addition, elimination or modification of structures, systems or components of the facility will provide substantial, additional protection which is required for the public health and safety, or the common defense and security, or the protection of the environment.

In proceedings in which such a prima facie showing had been made, the hearing would be of the legislative type and would not be subject to sections 554, 556 and 557 of Title 5 of the United States Code, and the Commission would be authorized, upon a determination that such action is necessary in the public interest to avoid unnecessary delay, to issue the operating license or amendment in advance of completion of the hearing, with appropriate conditions to assure that any subsequent action of the Commission in the proceeding will be given full force and effect. The new provisions pertaining to hearings at the operating license stage would not apply to proceedings in which a notice of hearing or notice of intent to issue a license had been published on or before the date of enactment into law of the proposed legislation. No hearing would be required at the operating license stage if the applicant had supplied, in connection with a previous licensing action in the proceeding, the technical information, including the final design of the facility, required to complete the application, unless a prima facie showing had been made by a person whose interest may be affected by the proceeding, that as a result of a significant advance or change in the technology occurring after the most recent licensing action in the proceeding, addition, elimination or modification of structures, systems or components of the facility will provide substantial, additional protection which is required for the public health and safety, or the common defense and security or the protection of the environment.

Section 2 of the bill provides that none of the amended changes are intended to affect the hearing provisions of section 105, Anti-Trust Provisions. However, Chairman Price has indicated an intent to review actual or potential problems of delay under section 105 during the hearings conducted in 1974.

STRENGTHENING COMMODITY FUTURES REGULATION

(Mr. POAGE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. POAGE. Mr. Speaker, today I am introducing a bill to strengthen the regulation of futures trading and which recommends a broad Federal program designed to assure the continued integrity of the futures market. I do this not only as chairman of the Committee on Agriculture but on behalf of all of my colleagues who served on the ad hoc subcommittee which drafted the bill. We do this with the idea that this will give all interested parties adequate opportunity to suggest changes, and we invite suggestions.

I realize that few Members are fully conversant with the complexities of the trading of futures contracts, and the role of the Federal Government in regulating futures transactions. It is the system which underlies the cash sales and purchases of agricultural products and other commodities. Nevertheless, I would hope that the Members and their staffs would gird themselves for dealing, in the near future, with this complicated and volatile business and the issue of what the appropriate Federal role should be in regulating the trading of futures on the exchanges in this country.

Mr. Speaker, before I proceed to discuss the contents of the bill, I would like to take a moment to discuss the background of the legislation, and why I am introducing it.

The trading of futures is a multi-billion dollar business. This year, the volume of futures contracts was approximately 268 billion dollars on regulated commodities alone, and estimates before the Committee on Agriculture indicate that we can expect that the volume will rise, in the near future, to over half a trillion dollars volume. This, of course, represents a substantial increase over these same transactions during the past several years.

Futures trading is among the most volatile of occupations. Contracts worth tens of thousands of dollars or more are bought and sold in the blink of an eye in open pits at any of several exchanges around the country. Approximately 90 percent of all futures traded in the United States are in agricultural commodities; 80 percent of which are produced here in the United States. The prime reason for the existence of the futures market has been, and remains, a hedging device for the cash purchases and sales of agricultural commodities, although in recent years new contracts for metals, and other commodities and products have become increasingly necessary as other industries have realized the usefulness of hedging in services or products that are subject to wide price fluctuations.

For every sale of a "short" futures contract, there must be an offsetting purchase or "long." Many of these purchasers are those who hedge on the op-

posite side. However, virtually since their inception, the necessary liquidity in contract markets has been provided by speculators, or those who have no existing cash risk to offset through the purchase or sale of futures contracts. Speculators, subject to certain limits as provided by the Commodity Exchange Commission, seek to profit off the shifts in price levels of the contracts. In so doing, they provide a very real service to the market and its users, by providing liquidity.

For 60 years or more, futures markets operated in a posture that encouraged no government interference or supervision of their activities. However, beginning in 1922, the Federal Government injected itself in a minor supervisory role over grain futures when the Congress enacted a limited "Grain Futures Trading Act." In 1936, the act was amended, and broadened, and became the present Commodity Exchange Act which envisioned a mixture of limited Federal supervision, and strong self-regulation of the markets by their members. It has been amended many times, in reaction to specific major and minor problems that required the attention of the Congress and was last amended by legislation from the Agriculture Committee a few years ago.

Again today, Congress has taken notice of the situation in the futures markets. Unlike past years, however, and past approaches of the Congress, we seek not only to assist the futures industry in dealing with immediate problems that beset it—problems, I might add, that have brought about a crisis by the lack of public confidence in the present regulatory scheme—but we also seek to look ahead and deal with the problems that are clearly on the horizon.

First, as to immediate problems, the strains of a shortage situation in the past year in many of the cash crops that are the subjects of futures contracts were reflected dramatically in the futures markets which had become accustomed to trading futures in periods of surplus. Also, the present regulatory activities of the Commodity Exchange Authority in the Department of Agriculture are totally inadequate to police the industry under the limited authority given them by the present law. I provide no brief here for these situations, but refer my colleagues to the excellent work done by the gentleman from Iowa (Mr. SMITH) and the members and staff of the Subcommittee on Special Small Business Problems of the Select Committee on Small Business which investigated the problems besetting the futures industry earlier this year.

During the past year, these and many other problems have been compounded in the public eye, with failures of futures commission merchants who have been trafficking exclusively in futures that are not regulated by the present act. As an example of how disastrous such an occurrence can be, a California firm's failure reportedly took $71 million of commodity customers' money down with it. In Texas, another firm dealing in nonregulated commodities has recently collapsed, also causing great loss to customers. These firms were vending a risky form of "puts and calls" or "options" as they are sometimes called. Under the theory of options trading, which is prohibited under present law for the handful of commodities covered under the present act, the customer does not buy or sell a contract for future delivery of a commodity as most hedgers or speculators in regulated commodities undertake. Instead, he or she purchases the "right" to purchase or sell a contract in the future, paying a tremendous premium for someone else to actually guarantee to provide the actual contract at a specified price. Because there are no margin calls, and the degree of exposure is fixed, it initially appears more attractive to the small investor.

However, because some individuals will seek opportunities to exploit any given system, the high cost of "hedging" the options, as must be done to protect both the customer and options merchant, has proved forbidding to many merchants seeking option customers, so they write so-called naked options, which are not hedged or covered in any way. The good faith and solvency of the broker is all that is securing the transaction.

It has been documented that, in some of these firms, customers who desired the proceeds of their transaction in these options were actually paid in many instances from other customers' accounts, and eventually the pyramid structure created, where one customer's account is robbed to pay another, collapses. Because there is no requirement on the options merchant to segregate customers' funds, as the law now requires for the trading of futures in regulated commodities, the investments of the customers are usually lost.

Nor are the "regulated" futures commission merchants so tremendously more secure. Regulated firms do go under as well and because there had been insufficient attention given by a regulatory body to the bookkeeping practices of one which recently collapsed it was found too late that customers' accounts had not been segregated as required by law with a resultant loss of the funds supposedly belonging to the customers.

On the floors of the exchanges where commodity futures are bought and sold there is little or no real security for the customer, despite the inherent honesty of most brokers. Brokers, like many futures commission merchants, number among themselves the most honorable of men. Yet, there are also those who have been attracted to futures markets for their volatile environment and the hoped-for ability to reap great profits in a hectic atmosphere—at times taking advantage of that atmosphere at the customer's expense. Again, because not all commodities are covered under the present act, many attempts at self-regulation in those exchanges have been and continue to be dismal failures. Attempted investigations in regulated changes are often characterized by the unwillingness of the investigating committees to inquire too closely into the possible excesses of their own brethren. In one unregulated exchange it is continually charged that the owners of the exchange manipulate and evade the trading rules for their own personal gain. Brokers, customers, and, eventually, the American economy, suffer in this atmosphere of so-called self-regulation where tradition and self-interest has been allowed to displace the public interest.

Mr. Speaker, today I will not attempt to chronicle all that has been learned through the investigations of the Committee on Agriculture, in our October hearings on possible amendments to the present act, the earlier hearings of the Subcommittee on Small Business Problems, and the excellent job that has been done by the news media on the subject, despite a few excesses.

I would like to turn now, however, to a problem that is becoming increasingly severe and which mandates sure changes in the philosophy of self-regulation as it is now practiced.

Many of these immediate problems facing the industry can be easily cured by simple changes in the language of the law. However, from witnesses, customers, the news media, the exchanges themselves and separate staff investigations of the two House committees, it has become increasingly clear that there are great problems in the entire structure of Federal authority over futures trading which demands the attention of the Congress, inasmuch as they are problems that are a function of the system of self-regulation by the exchanges under a limited Federal "umbrella" of authority.

To deal for a moment with basics, the origin of self-regulation by the stock and commodity exchanges is apparently obscure. However, certain theories have been advanced to explain why the futures exchanges, standing almost alone in the American industrial society, elected to develop an extensive system of self-regulation.

The evolution of self-regulation by the stock and commodity exchanges was probably the result of two principal factors. First, the centralized nature of the market brought most industry participants into close proximity, thereby making it feasible to construct more elaborate institution functions. Second, the unusual sensitivity of the industry, led almost naturally to a code of conduct and honesty.

The founders of most exchanges were men of acknowledged leadership in their communities. They recognized that it was simply "good business" to discourage sharp practices which could undermine the vital public confidence in the exchanges. Therefore, as long as 100 years before the first Federal legislation in the area, the exchanges, which then dealt only with cash commodities, had some sort of a self-regulatory system complete with codes of conduct, surveillance procedures, and disciplinary powers.

In the late 19th century and the first quarter of the 20th century, exchange self-regulation was viewed by the exchanges as establishing codes of conduct which were goals or objectives rather than minimum standards. Exchanges promulgated many bylaws and rules descriptive of "ideal industry practice," and encouraged their members to strive toward that ideal. Very little thought was probably given to whether the failure to meet those ideals would

expose the exchanges to legal liability, since the courts looked upon exchange self-regulation as a desirable objective for better practices rather than a guarantee of members' performance and compliance.

Beginning approximately 50 years ago, the legal posture of exchange self-regulation began to change. Slowly the courts began to look upon exchange self-regulation as a guarantee to the public that its members would not violate its code of conduct. Additionally, when the Commodity Exchange Act was enacted, courts implied a private remedy for individual litigants in the Commodity Exchange Act. Thus, today the judgment of the board of directors of many of the exchanges in implementing decisions under self-regulatory functions is becoming increasingly a justiciable issue.

Attorneys for exchanges are now advising their clients to prune out rules or regulations where the enforcement capability is questionable. Instead of a situation where self-regulatory activities should be expanding for a given contract market, the exchange can now provide solid reason for shrinking the protection given the customer and the public through self-regulation.

Self-regulation is a commendable concept; however, from both the interests of the American people and the exchanges themselves, it is clear that the time is now upon us for a significant change in the parameters of Federal authority over the exchanges. Already, many State laws are exercising jurisdiction over these same markets to fill what had become a vacuum of regulation. Varied and often conflicting regulation such as this could become a burden on commerce, if it is not already. With States seeking additional authority, litigants challenging self-regulatory judgments, a weak system of Federal regulation, several recent examples of abuse within the present futures structure and the exchanges, many brokers and futures commission merchants, large and small users of the futures markets, and officials of the Department of Agriculture calling for change, it is incumbent on Congress to act, and act expeditiously through meaningful, thoughtful change that is well reasoned and sure.

The Committee on Agriculture has actually been seeking an answer to the problems facing this industry for the past 5 months. During the August recess this year, the committee staff began a review of the existing act, studies of the problems and their possible solution. On the return of the Congress, I and several members of the committee met informally with small separate groups of Commodity Exchange Authority officials, heads of the boards of trade, and users of the futures market. Without exception, there is dissatisfaction with the present state of the law.

After orientation meetings for members of the full committee, hearings were set on a series of concepts taking the form of amendments to the present act. No actual language was before the witnesses or the Committee in order to provide an atmosphere of completely free discussion. These hearings were held in connection with the following committee announcement:

ANNOUNCEMENT OF COMMODITY EXCHANGE AUTHORITY ACT HEARINGS BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, OCTOBER 16, 17, AND 18, 1973

The House Committee on Agriculture expects to review the Commodity Exchange Act with a view toward strengthening and revising the existing law. A preliminary review has revealed a number of areas of possible revision.

The primary purpose of the hearings announced today is to receive comments on the following list of areas of Committee interest. The Committee has not endorsed any of these concepts but rather is seeking to compile a record of evidence and promote a dialogue and an exchange of information between all interested witnesses and Committee members which would later provide a sound basis for meaningful reform and a strengthening of existing Commodity Exchange Act authority.

This list should not be construed to be all inclusive. To the contrary, all views pertinent to the subject of the Commodity Exchange Act, presently pending bills, along with any other suggestions by witnesses for revision are solicited. Because of the complexity of this subject, oral testimony will necessarily be limited in presentation but should not be limited in scope. More comprehensive views on any or all subjects should be submitted in writing and addressed to the subjects listed below in the order presented—

1. Creating an independent Commodity Exchange Commission modeled after the Securities and Exchange Commission and transfer to it the authority now exercised by the existing Commodity Exchange Commission and Commodity Exchange Authority;

2. Authorizing the Commission to require, after appropriate notice and hearing, a contract market to effect specified changes in its rules and practices as determined necessary for the protection of persons producing, handling, processing or consuming any commodity or byproduct of a commodity traded for future delivery;

3. Giving the Commission authority to regulate the content of advertising of a firm soliciting customers for the futures market;

4. Providing for the computerization of floor trading on the floor of a contract market;

5. Creating a government sponsored insurance or trust fund to provide protection for commodity investors from the possibility of loss of funds in the event of financial failure of a contract market or commission merchant;

6. Allowing the commission to set margin requirements;

7. Bringing all future trading under federal regulation;

8. Relieving CEA of the responsibility for investigating and prosecuting cash market price manipulations (except those related to operations in a commodities futures market);

9. Limiting trading by floor brokers for their own account and for customers;

10. Limiting trading by futures commission merchants for own account and customers;

11. Providing for injunction authority to stop any person from violating the Act or regulations and to stop any trader from maintaining sufficient control over a commodity futures contract to effectively restrain trading in such contract;

12. Requiring boards of trade to demonstrate that the contracts for the commodities for which they are designated or seek designation serve an economic purpose;

13. Giving the Secretary and the Commodity Exchange commission authority to impose money penalties in administrative proceedings;

14. Expanding registration and fitness check authority to include all individuals handling commodity customers' accounts. At present such authority is limited to futures commission merchants and floor brokers;

15. Giving the Secretary authority to require, in emergency situations, that contract markets take such actions as the Secretary may direct to facilitate the orderly trading in or liquidation of any futures contract;

16. Giving the Secretary authority to require contract markets to permit delivery at multiple delivery points if he finds that this will tend to prevent or diminish price manipulation, market congestion, or the abnormal movement of such commodity in interstate commerce;

17. Requiring each contract market to establish a procedure for settlement of customers' claims;

18. Providing for an appeal to the Commission from decisions on customers' claims;

19. Giving the Comptroller General access to books and records of the Commission;

20. Requiring the Commission to make annual reports to Congress, and prompt reports of unusual transactions;

21. Providing a civil remedy (treble damages) in cases where a trader obtained and profited from inside information concerning proposed government action;

22. Making it unlawful for a government employee to disclose confidential government crop or other confidential information to persons not specifically authorized to receive it;

23. Establishing an office within the Commodity Exchange Authority to monitor markets, study market conditions, and disseminate such information to the public as will prevent undue speculation and provide for informed trading;

24. Banning speculation or hedging in commodity futures by foreign governments or their agencies in contract markets; and

25. Requiring the CEA to restrict excessive speculation in commodity markets when speculative transactions exceed 50 percent of the market in a particular commodity.

In addition, the Committee is interested in hearing any other suggestions defining the appropriate federal role in the regulation, if any, or protection of the integrity of the practice of forward contracting of agricultural commodities.

These hearings continued into a following week with testimony from a broad spectrum of witnesses. Again, we were helped greatly by the input of the gentleman from Iowa (Mr. SMITH) who provided us with an extensive summary of his committee's investigation.

As a result of these hearings, the committee directed that a special ad hoc subcommittee be formed, to formulate the proposal I introduce today on behalf of myself and every member of the subcommittee. In a series of informal sessions over a period of several weeks, the subcommittee, ably led by our committee vice chairman, the gentleman from Kentucky (Mr. STUBBLEFIELD), formulated and refined the legislation. During the same period, the members of the subcommittee officially traveled to Chicago to view the floor operations on the Chicago Board of Trade and the Mercantile Exchange, and met also with Department and CEA officials.

The bill I am introducing today, on behalf of myself, the gentleman from Kentucky (Mr. STUBBLEFIELD), the gentleman from Washington (Mr. FOLEY), the gentleman from Minnesota (Mr. BERGLAND), the gentleman from Texas (Mr. PRICE), and the gentleman from Nebraska (Mr. THONE) is the product of those efforts.

As written, the bill has five titles, amending the Commodity Exchange Act

as follows: Title I creates a new Commodity Futures Trading Commission to regulate the trading of futures. Title II makes certain major and minor changes in activities allowed under the present act, and moves to generally strengthen the authority for regulation of the exchanges and persons registered under the act. Title III creates a new Federal Commodity Account Insurance Corporation to provide protection to smaller investors against the financial failure of the brokerage house servicing their commodity account. Title IV contains enabling authority for the creation of National Futures Association(s), and title V contains several sections implementing programs contained in earlier titles, and providing necessary changes in the act to provide for the new authority to regulate futures not covered under the present act. A more complete, although brief, summary of the provisions of the bill follows:

SUMMARY OF THE MAJOR PROVISIONS OF H.R. 11955, A BILL TO AMEND THE COMMODITY EXCHANGE ACT

The bill is drafted in the form of amendments to the Commodity Exchange Act (7 U.S.C. 1 *et seq.*) and contains five titles.

Title I creates a new five man regulatory commission within the structure of the Department of Agriculture to be called the "Commodity Futures Trading Commission". The Secretary of Agriculture will be the permanent Chairman of the Commission. The remaining four members of the Commission will be appointed by the President from the general public and confirmed by the Senate. No more than two of the public members shall be of the same political party. The public members will be appointed for staggered five-year terms and will be compensated at Executive Level IV on a per diem basis for the time they spend in the performance of their official activities. They could, therefore, serve part time or full time depending upon the workload of the new Commission. The bill requires that the public members be knowledgeable in the commodity trading business and prohibits them from participating directly or indirectly in any market operations on transactions subject to regulation by the Commission. The Commission will be allowed to utilize the facilities and services of the Department of Agriculture, without cost, including office space. The Commission will be required to meet as often as necessary but not less than one regular meeting per month. Additional meetings may be called by the Chairman or any two members of the Commission.

All existing authority under the Commodity Exchange Act presently delegated to the Secretary of Agriculture and the old Commodity Exchange Commission will be transferred to the new Commission. All existing personnel of the CEA will be transferred to and be employees of the Commission. Provision is made for a Secretary to the Commission, who will be responsible directly to the Commission members. Line responsibilities will be delegated to an Executive Director who will perform the day to day functions of the operation of the Commission under the direction of the members of the Commission. In addition, the Commission will have its own General Counsel and legal staff as well as independent budgeting capability and its own Administrative Law Judges. Commission budgets will be forwarded to the Secretary of Agriculture for transmittal purposes in the Department of Agriculture's budget requests.

A customer reparation proceeding before the Commission will be authorized for handling customer complaints which arise from violations of the Act, particularly those which result in monetary damages to the customer. The Commission will have original jurisdiction to consider all such complaints which have not been resolved through the informal settlement procedure required of the contract markets and registered futures associations under the bill. Formal hearings will be held in those cases involving amounts in controversy which exceed $2,500 and will be in accordance with the Administrative Procedure Act. Initially, complaints would be considered by an Administrative Law Judge and then reviewed by the Commission before a final order is entered.

A special judicial review of Commission decisions will be established for these proceedings which will allow either party adversely affected to appeal to the U.S. District Court.

The Commission will be directed to take into consideration the public interest designed to be protected by the antitrust laws of the United States before issuing any order, rule or regulation under the Act and before requiring or approving any bylaw, rule, regulation or resolution of a contract market or registered futures association. Accordingly, a contract market, registered futures association, or person registered under the Act, who is acting pursuant to and in accordance with a Commission order, rule or regulation or a required or approved contract market bylaw, rule, regulation or resolution will not be deemed to be in violation of the antitrust laws by such action. The scope of such action under approved contract market bylaws, rules, regulations and resolutions will be limited to those relating solely to futures contract specifications and other trading requirements.

An organizational chart follows showing the proposed structure of the new Commission.

Title II provides broad new authority to the new Commission over futures trading in a number of areas. All commodities trading in futures will be brought within federal regulation under the aegis of the new Commission, however, provision is made for preservation of Securities Exchange Commission jurisdiction in those areas traditionally regulated by it. "Commodity Trading Advisors" and "Commodity Pool Operators" will be brought within the purview of the Act and will be required to register with the Commission annually. Trading by floor brokers and futures commission merchants for their own accounts and at the same time trading for their customers will be restricted and allowed only under such circumstances as prescribed by the Commission. The existing registration and examination for fitness requirement will be expanded to include all individuals handling customer accounts. Contract markets will be required to demonstrate that the futures contracts for the commodities for which they are designated or seek designation serve an economic purpose. The Commission will be given authority to require contract markets, after hearing and comments procedure, to permit delivery of the commodity at additional geographical locations if it finds that this will tend to diminish price manipulation, market congestion, or the abnormal movement of such commodity in interstate commerce. Contract markets will be required to establish their own customer claims settlement procedures complementing the Commission's procedures for the handling of customer complaints. Contract markets will be required to submit their bylaws, rules, regulations or resolutions which relate to the terms and conditions of futures contracts or other trading requirements to the Commission for its approval.

The Commission will be given authority through the Attorney General to seek injunctions to stop any person from violating the act or regulations thereunder and to stop any trader from controlling a commodity futures contract to the extent that he is effectively restraining trading in such contract. The Commission will have authority to impose monetary penalties up to $100,000 in both administrative and criminal proceedings for violations of the Act. The Commission will be authorized to require a contract market, after notice and hearing, to effectuate changes in its rules and practices which the Commission determines to be necessary for the protection of the public interest. The Commission will have authority to promulgate special rules and regulations for persons registered under the Act but who are not members of a contract market which may reasonably be required to protect the public interest. The Commission will have special emergency authority to direct contract markets to take such actions as it may deem necessary in "market emergency" situations, such as war, price controls, export embargoes, or significant intervention of a foreign government in the futures market, in order to facilitate the orderly trading in or liquidation of any futures contract.

Title III creates a commodity investor protection corporation to insure individual customer accounts up to $50,000 against futures commission merchants' insolvency or bankruptcy.

The corporation will be a wholly owned government corporation and be named "The Federal Commodity Account Insurance Corporation". It initially will be funded by a 10 million dollar loan authority from the Treasury but will ultimately be self-funding. It will be governed by a ten member Board of Governors which will be made up from members of the Commodity Futures Trading Commission and from the public appointed by the Commission.

Title IV provides enabling authority for persons registered under the Act and in the commodity trading business to establish a voluntary futures association or associations which would have authority to regulate the practices of its members in the public interest. Such an association would register with the Commission and establish a uniform code of professional conduct for those in the commodities business and have disciplinary authority over its members. It would also be required to establish a procedure for the settlement of claims and complaints against its members similar to that required of contract markets. Association rules and actions would be subject to review by the new Commission. Association activity would serve solely as a complement rather than a displacement to the authority of the new Commission.

Title V contains miscellaneous provisions most of which are conforming amendments. In addition, the Commission will be authorized, if it deems such necessary, to make exceptions from speculative limits for arbitrage transactions. The definition of hedging under existing law will be expanded for purposes of exceeding the speculative limits in order to make allowances for additional types of commodities proposed for coverage under the Act. "Crossing of Trades" authority will be expanded to include all commodities. There will be a requirement that "U.S. standards" for commodities be specifically adopted by the Commission. The criminal penalties will be expanded under the Act to include certain acts made unlawful under the provisions of the bill. All operations of the Commodity Exchange Commission pending upon enactment, including all administrative proceedings, will be transferred to the new Commission and will continue to completion without abatement.

Mr. Speaker, while the provisions of the bill speak for themselves, there is one additional area I would like to cover to-

day—the provision to establish the new Commodity Futures Trading Commission (CFTC) to be chaired by the Secretary of Agriculture.

At the outset, there have been several suggestions as to the structure of the regulatory body that should have oversight over futures trading.

First, there were suggestions to keep the present regulatory body as it was in, and completely under, the jurisdiction of the Department of Agriculture, run by the Secretary of Agriculture, and the Commodity Exchange Commission.

The strength of such a proposal was that it found support among the exchanges; it recognized that 90 percent of futures contracts traded on exchanges were agricultural products; that the Department had historical expertise in dealing with commodities futures and the personnel and an existing structure oriented toward regulation. Also, proponents pointed out that the Department itself was showing an increasing willingness to strengthen the CEA within its structure.

The other side of the proposal was the historical weakness of the Commodity Exchange Authority, often finding itself being treated as a stepchild by the Department, the Office of Management and Budget and with little respect as a regulatory body within the industry itself—despite the sincere and well-meaning efforts of its officials. The following table demonstrates how clearly the CEA has failed to move with the times, as the number of contracts traded has more than doubled, while the level of employment at the Commodity Exchange Authority has actually declined from its 1971 level. Additionally, the level of employees within the GS systems is apparently inadequate to attract and retain the necessary expertise to supervise such a complicated market structure. The table follows:

COMMODITY EXCHANGE AUTHORITY: APPROPRIATION, EMPLOYMENT, NUMBER OF CONTRACTS TRADED, FISCAL YEAR 1965 THROUGH FISCAL YEAR 1974

Fiscal year	Appropriation	End of year employment	Number of contracts traded (millions)	
			Regulated markets	Nonregulated markets
1965	1,169,000	125	7.4	0 9
1966	1,197,000	130	8.1	.8
1967	1,434,000	134	9.6	1.0
1968	1,560,000	152	7.4	1.4
1969	1,895,000	152	8.6	1.7
1970	2,491,000	165	10.3	2.0
1971	2,729,000	166	11.8	2.5
1972	2,843,000	160	12.6	3.0
1973	2,906,000	159	17.8	5.8
1974 (estimate)	3,582,000	200	19.3	7.3

Additionally, under the present act, there is a great confusion of authority as a result of the division of powers between the largely inactive Commodity Exchange Commission and the Secretary. For example, the CEA Administrator is actually subject to direction from two sources—directly under the CEC and under two tiers of control within the Department itself. Legal staff and administrative law judges are borrowed from the Department.

A second concept presented to the committee was the creation of a new independent Commission. In addition to the practical difficulties of putting such a concept into effect without tremendous associated costs, and the creation of yet another giant bureaucracy with its demands for increasing space, costly new buildings, and associated demands for an entirely new separate support structure, was the practical difficulty of creating an effective organization de novo. Neither the public nor the industry can afford such a gap in the regulation of this volatile economic force.

Yet, there were significant strengths associated with the Commission concept: independence of budgetary authority, separate legal staff, and the input of public members who could do much to temper the thrust of an agency completely subject to the political winds which fan every administration.

There was also a proposal advanced briefly to place the regulation of futures trading within the present SEC. The advantages were the existence of the SEC as an independent regulatory structure. The disadvantages were legend.

Often erroneously viewed as twins, there is little correlation in theory or in fact between the regulation of futures trading and the regulation of securities transactions. Futures trading regulation is essentially a regulation of a marketing device, that is, a contract right which is terminable at a time certain, for agricultural commodities while the SEC regulates the handling of certificates of tangible ownership which are permanent in nature.

Futures, and their handling, are a highly specialized skill which is normally obtained expensively in the marketplace. Few, if any, universities teach the ins and outs of commodities trading, and those that do usually present it as an adjunct to coursework in agricultural economics. While securities markets attract the small speculator, with a limited exposure to loss, futures speculation is normally limited to the more venturesome and solvent speculator. In fact, many commission merchants discourage small investors, since according to a major board of trade, three out of four first-time investors in commodities suffer a net loss. Additionally, the concepts of margin—which is a guarantee of performance in the futures market as contrasted with an extension of credit by the broker in the securities industry—the actual delivery of commodities in certain limited situations—approximately 3 percent—of all contracts, and the handling of devices such as options are, and should remain, entirely different within the respective spheres of regulation.

The existence of another, more volatile regulatory function with the SEC could create difficulties that could probably never be overcome. No SEC Commissioner is appointed because of expertise in futures trading, and a merger of the staffs of the CEA within the respective organizations would do little more than precipitate a continuing conflict as to the priorities of the Commission with its jurisdiction so confused. The possibility seemed to terrify experts on futures trading who appeared before the full committee, and who met with the committee staff on numerous occasions. Neither is it a welcome prospect at the SEC.

In adopting the concept of the Commodities Futures Trading Commission, the bill seeks to build a bridge between the philosophy of regulatory independence and the reality of maintaining the expertise of the Department of Agriculture. We believe that we have succeeded in combining the two concepts—drawing upon the strengths of the existing structure and leaving behind the weaknesses. In doing so, we have been able to give the CFTC independence in budgetary authority, independent legal staff, including administrative law judges, and by adding public members—personnel and policy—these are the strengths of the independent Commission concept. From the existing regulatory body we have been able to retain experience, cohesiveness of purpose, and administrative support for both technical and administrative purposes. This should provide a reduction in cost from complete independence. Additionally, with an administration official as chairman, the Commission will be continually connected to the policies of the Government, which so strongly affect the reactions of the market. For example, if an emergency embargo on all commodity exports were decided by the administration to be necessary, which I personally would hope would never again be necessary, the Commission would have a headstart in promulgating emergency policies to meet the crisis, hopefully, even before the markets had reacted. Additionally, because of the committee's desire to keep the Commission responsible for cash market manipulations, it will have closer ties to the Department most responsible for those cash transactions.

Mr. Speaker, we are sincerely hopeful that, like Moses, this course can lead us to the "promised land" of adequately protecting the public interest without severely restricting the free market system.

I do not suggest that the legislation before us is perfect; but it does represent a considered approach toward solving a great deal of the problems besetting futures markets which I hope Members of the Congress, the industry and the public will examine closely prior to hearings on the bill. These hearings will be before our full committee at a date to be announced soon, but in all probability, before the end of January.

LESS DRIVING MEANS LOWER AUTO INSURANCE RATES?

(Mr. RUNNELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RUNNELS. Mr. Speaker, today I have introduced a bill which would guarantee that the reduction in auto accidents which results from nationwide fuel conservation measures will be reflected in a reduction into auto insurance premiums.

My bill is called the Auto Insurance Rate Reduction Commission Act. It would create a temporary commission which would: First, study the decrease in accident rates under our new fuel conservation measures; second, study concomitant decreases in costs to auto insurers; and third, recommend to Congress within 6 months legislation to bring about appropriate auto insurance premium reductions.

Our President is working diligently with officials of the new Federal Energy Administration to formulate fuel conservation measures for the entire Nation. As far as I have been able to determine, at least 36 States have already acted to reduce their speed limits. Most of the gas stations of the Nation have begun closing on Sundays. Many of the Nation's commuters have either formed car pools or switched to mass transit facilities to get to work each day. Gasoline prices are going higher and higher.

The effect of these fuel conservation measures is already reflected in decreasing accident rates in many, if not all of our communities. If accident rates are going down it stands to reason that auto insurance rates should go down as well.

At this point let me emphasize that my bill would only study these matters to see if, in fact, auto insurance premiums are being or should be reduced in a fair and equitable manner. I realize that Congress many years ago delegated to the States the power and authority to regulate and control auto insurance rates. It is for that reason that I have chosen to have a commission study this matter and then, only after careful consideration, recommend appropriate action to be taken by Congress.

According to the Insurance Information Institute, $16.25 billion worth of auto insurance premiums were written in 1972. If a change in those costs to the American consumer is warranted and can be made in a fair and equitable manner, then Congress has a duty to see that it is done.

Here is a brief summary of my bill:

(1) It would create an Auto Insurance Rate Reduction Commission;

(2) The three member Commission would exist for not more than 6 months;

(3) The Commission would consist of the Chairman of the House Interstate and Foreign Commerce Committee, the Chairman of the Senate Commerce Committee, and the Special Assistant to the President for Consumer Affairs;

(4) Commission members would receive no compensation except for travel and other expenses;

(5) The Commission would recommend legislation to Congress deemed appropriate and then cease to exist.

I will be reintroducing this bill with cosponsors in the near future. Any of my colleagues who would like to cosponsor it or require additional information should contact me or my assistant, Tim Glidden on extension 52365.

GASOLINE ECONOMY AND AUTOMOBILE ENGINES

(Mr. HAYS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAYS. Mr. Speaker, I would like to direct the Members' attention to a letter from a constituent of mine in Malaga, Ohio, about gasoline economy and automobile engines. Mr. Karl V. Baker of Malaga, Ohio, has sent me the following letter and I commend it to the Members' attention:

BAKER'S MACHINE SHOP,
Malaga, Ohio, November 26, 1973.

Hon. WAYNE L. HAYES,
U.S. Congressman,
Washington, D.C.

DEAR MR. HAYS: Due to the fuel shortage that is upon us, in these trying times, I have been testing and improving on my 1965 G.M.C. pick-up truck. It came as ordered from the factory, 230 cu. in. in line 6 cyl. engine, three and seven-eights bore, three and one-half inch stroke. Being a Chevrolet engine, I also ordered a special Spicer three-quarter ton, three-quarter floating rear axle, ratio 3.54:1, this truck is equipped with 6.50–16 inch, 6 ply tires, with regular gasoline the engine gave around twenty to twenty-two miles per gallon.

This engine did not prove out so good, pumped oil, and several problems caused by bad workmanship.

So at about 78,000 miles, I decided to build an engine of my own, to prove that a high torque engine can conserve more fuel at low R.P.M. than a short torque engine at higher R.P.M.

So I obtained a 1964 Chevrolet engine from a junk yard, rebored block .020 in. oversize, and rebuilt and reconditioned and assembled, better than a new short block from the factory. The engine was installed, being a 295 cu. in. displacement, a larger radiator was installed, and only the starter and alternator are left of the original engine under the hood.

An inverse oiler was installed to lubricate the top rings and valves, stems and guides, after they lowered the lead content in gasoline, this oil used is a high temperature oil, and is metered into the engine through the intake manifold at a ratio of four ounces to five gallons of gasoline.

I also installed a manual control, (of my own design). Fuel pressure to the carburetor, and all the excess fuel is returned to the gas tank by a return line.

These are some of the results I have obtained, cruising at 50 m.p.h.:

Engine R.P.M.—2,000.

S.A.E. Net Torque (lbs.-ft.)—215.

120 h.p. at 3600 R.P.M.

Regular gasoline, approx. 89 octane.

Average of 19 to 20 miles per gallon of gasoline.

What I have proven in my mind, is that all of these anti-pollution gizmos are wasting more gasoline, costing the owner extra on a new car and causing excess operating costs, double air pollution, plus poor performance due to low manifold vacuum, just as an old worn engine, with worn out piston rings and leaky valves, becomes a gas hog.

Now to think what a savings this would be in fuel consumption over the Nation, half of the pollution eliminated, burn a fuel once and that's it. So drive twice as far on a gallon of gasoline. Burn it—don't waste it!

It's a shame, new cars and pick-ups, with only a 250 cu. in. displacement engine, 8 and 9 miles per gallon of gasoline. Carbon monoxide cannot be burned the second time, no carbon or oxygen, you cannot burn it, or put it in a bag, but a good engine will emit a minimum amount if given half a chance.

I forgot about the valve cover on this engine. All openings were patched and the oil filler cap was bored to receive rubber grommet. The guts were removed from the ventilation valve, the valve body installed in oil filler cap, and a hose goes from here to the oil bath air cleaner.

The vapors or fumes from the crankcase are returned to the engine intake. These fumes or vapors are high in moisture, which in turn, reduces carbon deposits, makes fuel burn better. Other fumes such as oil mist help to lubricate all moving parts that they come in contact with. The reason for attaching this hose to filler cap is to prevent excessive sweating inside of the valve cover, this is sort of holding a slight vacuum and there is no cold air from the atmosphere to circulate. This reduces excessive sweating in cold weather which will drain down in the oil in the crankcase, adding water to the oil. That causes a poor quality of lubrication, but in hot weather the condition is held to a minimum. We use a 190 degree thermostat in the cooling system. The high temperature makes a motor run at peak performance, thus helping to get better mileage on gasoline.

This is another reason for increasing gasoline mileage, and saving fuel. What became of our good engineers in the automotive industries? They are afraid to get their hands dirty, protected by a union card, and don't give a damn for their fellow men. I am self-employed and still know right from wrong, doing the best I can, with what I've got.

Yours for removing this trouble-maker from our automobiles, and having cleaner air in the good old U.S.A.

Yours very truly,

KARL V. BAKER.

THE BANK HOLDING COMPANY ACT AND RELATED STATUTES—THE NEED FOR REVISION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, 3 years ago, in December 1970, the Congress finally passed and the President signed into law major amendments to the Bank Holding Company Act of 1956.

The impetus for this legislation was created in the late 1960's by the rush of major banking institutions to convert themselves into one bank holding company, thus avoiding both the limitations placed on the activities of commercial banking corporations under the banking laws, and the limitations applied to holding companies controlling more than one bank under the original Bank Holding Company Act of 1956. This was known as the one bank loophole.

It was feared that by the device of the one bank holding company, the strong public policy of separating commercial bank from nonbanking business activities would soon be destroyed.

During the course of congressional consideration of amendments to the Bank Holding Company Act in 1969 and 1970 many other issues were raised and

resolved by the legislation that was ultimately passed.

The legislation signed into law in December 1970 can be summarized as follows:

It brought holding companies controlling only one bank under regulation of the Bank Holding Company Act for the first time.

It retained essentially the language of the 1966 act test to be applied in approving bank-related activities, that is, "so closely related to banking or managing or controlling banks as to be proper incident thereto", with some minor modifications in the language of this test. In addition, it added a public benefits test, requiring the Federal Reserve Board to find that the nonbank activities being sought for approval have certain enumerated benefits to the public which outweigh certain enumerated adverse effects.

It permitted the Federal Reserve Board to grant exemptions to Bank Holding Company Act regulations with respect to banks primarily engaged in foreign commerce activities.

It changed the definition of bank holding company to include partnerships.

It permitted the Federal Reserve Board to grant or continue exemptions from the act under certain narrowly defined specified conditions, and exempted from application of either all or part of the act certain special situations.

It prohibited banks, bank holding companies and subsidiaries from engaging in anticompetitive tie-in arrangements—with certain exceptions—by which these institutions could unfairly compete with nonbank competitors.

It provided for the right of competitors and others to join as parties in interest in Federal Reserve Board proceedings and to appeal from decisions of the Federal Reserve Board in cases involving section 3—bank acquisitions—and section 4—nonbank acquisitions—of the Bank Holding Company Act, as well as in cases involving the antitie-in provisions of the act.

Since the passage of the 1970 amendments, the Federal Reserve Board has issued many rulings and regulations concerning enforcement of that act. Most of the Board's activity has been in two areas. One is the question of what nonbank activities are closely related to banking and thus can be carried on by bank holding companies, and the other has involved applications for acquisitions by bank holding companies of banking corporations.

Issues involving bank holding company law should in no sense be regarded as narrow technical questions. Indeed, they embody two of the most fundamental economic questions facing the American public today—issues which the upcoming hearings announced in the RECORD of December 5 will explore in detail:

First. Do we want to abandon or do we want to strengthen the clear separation of the business of banking from activities involving commerce, industry, and the investment banking business, as set forth in the Bank Holding Company Act of 1956 and the Glass-Steagall Act of 1933?

Second. Do we want to perpetuate or do we want to substantially reduce the enormous concentrations of economic power now lodged in our banking institutions, including holding companies, and, indeed restore and greatly increase competition among all banking institutions in all parts of the country?

FEDERAL RESERVE BOARD RULINGS ON NONBANK ACTIVITIES OF HOLDING COMPANIES

In the area of closely related activities, the Federal Reserve Board has approved 11 activities. These are:

First. Making loans directly or through subsidiary or the accounts of others, such as through mortgage companies, finance companies, credit card companies or factoring companies.

Second. Operating as an industrial bank or industrial loan company.

Third. Servicing loans.

Fourth. Conducting fiduciary activities.

Fifth. Acting as investment or financial advisor, including serving as an advisory company to real estate investment trusts; serving as an investment advisor to mutual funds; providing investment advice to other persons; providing general economic, statistical forecasting and industry studies and information; and providing financial advice to State and local governments concerning the issuance of securities.

Sixth. Leasing personal and real property, under certain limitations.

Seventh. Making equity investments in corporations that promote the community welfare.

Eighth. Providing bookkeeping and data processing services, under certain limitations.

Ninth. Operating insurance agencies, under certain limitations.

Tenth. Operating an insurance underwriting company limited to writing declining term credit life, health and accident insurance in connection with the granting of credit.

Eleventh. Operating a courier service, under certain limitations.

The Federal Reserve Board has also determined that seven activities are not closely related to banking and therefore cannot be carried on by bank holding companies. These are:

First. Equity funding, which is the combined sale of mutual funds and insurance.

Second. Underwriting life insurance that is not sold in connection with credit transactions of the bank holding company or a subsidiary.

Third. Real estate brokerage.

Fourth. Land development.

Fifth. Real estate syndication.

Sixth. Management consulting.

Seventh. Property management services.

In addition to the above, the Board has pending in various stages of consideration the following subjects:

First. Whether bank holding companies should be permitted to own or control savings and loan associations.

Second. Whether bank holding companies should be permitted to own or control underwriting of real estate mortgage guarantee insurance.

Third. Whether certain additional restrictions should be placed on bank holding companies' activities in the sale of insurance.

Fourth. Consideration of certain revisions to the current regulations governing bank holding company activities in the data processing fields dealing with such matters as the definition of what constitutes data processing and the use of illegal tie-in in holding company selling of data processing services.

Fifth. Consideration of revisions in the regulations pertaining to personal and real property leasing by bank holding subsidiaries.

A number of individuals and groups have raised serious questions concerning several of the activities which the Federal Reserve Board has determined to be "closely related to banking" and, therefore, can be carried on by bank holding companies. These include acting as investment advisor to real estate investment trusts and mutual funds, the leasing of personal and real property, the providing of bookkeeping and data processing services, and operating insurance agencies.

Considering the legislative history of the Bank Holding Company Act Amendments of 1970, court decisions involving similar questions and the arguments that have been made against the propriety of bank holding companies engaging in several of these approved activities, a substantial question as to the correctness of the interpretations of the act by the Federal Reserve Board can be raised. In my view the time has come to consider amendments to that act in specific areas of activity in order to protect the legitimate interests of the public, the consumer, and small business groups, against the predatory activities of bank holding companies, particularly large bank holding companies.

FEDERAL RESERVE BOARD RULINGS ON HOLDING COMPANY BANK ACQUISITIONS

In the area of bank acquisitions by bank holding companies, the Board has rapidly accelerated its activity in approving a large number of such acquisitions. At the end of 1970, there were 163 bank holding companies controlling 895 banks. Within 2 years the picture had changed radically. At the end of 1972, there were 1,493 holding companies controlling 2,270 banks. Thus, at the end of 1970, 6.7 percent of all banks in the country were controlled by bank holding companies, while only 2 years later 21 percent of all banks were controlled by bank holding companies, a three-fold increase.

Turning to the record of the Federal Reserve Board during this period, in 1971, the first year after the new amendments to the Bank Holding Company Act, the Board approved 117 bank acquisitions by holding companies. In 1972, the Board more than doubled that number of approvals to 251. And in the first quarter of 1973, the Board approved another 55, for a total of 423 bank acquisition approvals by holding companies over a 27-month period. During this same period, the Board denied only 29 such acquisition applications.

The most important question raised by this large number of approvals is whether a proper regard has been given by the

Board to the future statewide banking structure that is likely to result from the mass approvals that are being made on a case-by-case basis.

As a result in large part of Board approvals of bank acquisitions by bank holding companies, the percentage of total commercial bank deposits held by the four largest banking organizations in a State increased in 25 States in the 2-year period of 1971–1972. And during the same period this percentage for the 10 largest banking organizations has increased in 26 States. Of particular note is the large increase in banking concentration that has occurred in such States as Alabama, Colorado, Florida, Maine, Missouri, New Jersey, New Mexico, Tennessee, Texas, and Wyoming.

Once a large number of independent competitive banking institutions have been absorbed by a few statewide bank holding company systems, it will be very difficult to reconstruct or develop a competitive banking system in a given market or statewide. Thus the Board's actions in this area are critical to the issue of maintaining and creating competitive banking markets.

It should also be noted that on several occasions two of the seven members of the Federal Reserve Board, Vice Chairman Robertson, now retired, and Governor Brimmer, have dissented strongly from approvals by the Board on this very issue. It may very well be appropriate for Congress to establish through legislation certain guidelines for approval of bank holding company bank acquisitions in order to preserve independent banking institutions and competition within statewide banking systems.

NEW FORMS OF BANK CONCENTRATION

Since the passage of the Bank Holding Company Act Amendments of 1970, another wave of bank consolidations has begun through acquisitions of large numbers of independent banking corporations by bank holding company organizations. Often these bank holding companies have been newly created out of leading banks in various States. This nucleus of a large bank as the so-called lead bank in a newly created bank holding company forms the basis for a number of rapidly expanding statewide banking systems, a phenomenon which had not existed in many States prior to the passage of the 1970 amendments. Because of the prohibitions against interstate banking, the push for development and rapid growth of large banking institutions on a statewide level is not surprising.

For a complete set of statistical tables documenting this trend toward statewide banking concentration, see chapters 7 and 8 of the Domestic Finance Subcommittee Staff Report, "Financial Institutions: Reform and the Public Interest," published in August 1973.

BANKING AGENCIES' FAILURE TO FOLLOW CONGRESS' PRO-COMPETITIVE POLICY

Another problem that has arisen in connection with Congress' interest in maintaining healthy competition among competing financial institutions appears to be the failure of the bank regulatory agencies, which have the primary responsibility for carrying out this policy, to vigorously enforce the procompetitive policy which Congress had enunciated in the Bank Merger Act and the Bank Holding Company Act.

It is clear from Congress' consideration of the Bank Holding Company Act Amendments of 1970 that it felt the Federal Reserve Board to be best equipped on the basis of past performance to carry out the congressional mandate for maintaining competition within the banking field, particularly in the growing area of bank holding company acquisitions.

It was the intent of Congress, as it is in giving any regulatory agency the authority to carry out a broad public policy, that individual decisions in bank holding company cases be made on the basis of a broad overall view toward developing over a period of time a competitive structure for the banking industry in particular markets.

The function of the Federal Reserve Board in these matters is not properly regarded as the same as a court of law deciding each individual case only on the merits of that particular controversy. If that were the case, there would be little use in delegating to a specialized agency with expertise in a particular field the responsibility for carrying out a broad gage policy enunciated by Congress. If Congress had wanted only a case-by-case treatment instead of wanting the development by a specialized agency of a long-range policy, it would have turned the whole matter over to the courts, as it has in other instances.

One of the leading treatises on the purpose of Congress setting up specialized regulatory agencies points out the essential distinction between the role of the judiciary and the role of an administrative body in deciding cases.

> The judicial function is traditionally to weigh the merits of particular controversies, but not to engage in a consistent determination of policy or to maintain steady contact with a general and continuing problem. Accordingly, a body which could combine both functions—ascertainment of facts and the establishment of a continuous and uniform policy the development of which is not dependent upon the largely accidental emergence of litigated cases—would be logically chosen to perform functions of this nature. So it is that administrative agencies have been devised to concentrate their attention upon phases of work somewhat alien to the basic function of courts and legislatures, and from their concentration have developed the special knowledge and special skills which characterize the administrative process at its best. (Gellhorn and Byse, *Administrative Law Cases and Comments*, p. 3).

Despite the general acceptance of the above statement as describing the proper role of an administrative agency, a majority of the Federal Reserve Board, in deciding a number of important cases under the Bank Holding Company Act involving serious questions of reduction of competition, has openly and consciously articulated a completely opposite view.

For example, in the Federal Reserve Board's controversial decision in the First Florida Bancorporation case of February 16, 1973, in which the Board was divided 4–3 in approving the merger of two large Florida bank holding companies, the opinion of the majority of the Board states:

> With respect to the question whether the proposal will have a significantly adverse effect on competition due to the fact that it "could trigger" similar consolidations among large Florida holding companies, the Board believes that each application before it should be decided on the merits of that particular application. As we have previously stated, each subsequent application must also receive the approval of the Board and will be analyzed on the basis of the competitive structure of the market and other facts existing at the time of Board consideration.

A minority of the Board, usually Governors Robertson and Brimmer, in a number of dissents from the Board's approval of acquisitions under the Holding Company Act, have condemned this approach of the majority of the Board.

As stated by former Governor Robertson in his dissent in the First International Bankshares, Inc. of Dallas, Texas, case of November 30, 1972:

> The present application demonstrates a need for Board analysis going beyond the *ad hoc* approach and for a more thorough examination of Texas banking markets not only as they exist today but as they are reasonably likely to develop over the next decade, utilizing our knowledge of other alignments, past as well as prospective, in approving or disapproving any specific formation.

In light of a majority of the Board's failure to decide cases on the generally accepted basis of carrying out a broad overall policy, Congress should consider insisting that the Board decide individual cases in the future involving major questions of competition on the basis of an overall policy of creating a competitive banking structure in a market, not on the basis of only the facts of the individual case before it. Given the basis on which a majority of the Federal Reserve Board has decided several important cases recently, there is a serious question as to whether a competitive environment in banking, particularly on a statewide level, can be achieved over the next few critical years without new legislative initiatives.

FEDERAL RESERVE BOARD PROCEDURES IN HOLDING COMPANY CASES

A final issue in the bank holding company area which should also be considered during our hearings involves the question of the Federal Reserve Board adopting procedures for deciding cases under the Bank Holding Company Act which are fair to all interested parties. In some cases the Board has provided virtually no record for the rationale or reasoning behind a particular determination. This may indicate the failure of the Board to recognize the necessity of performing detailed, in depth analyses of industries and market conditions and make these part of the record, when dealing with broad areas of economic development. Also, in many cases the Board's opinions are simply the conclusion it has reached and do not include any statement of the reasoning and rationale of how or why it reached a particular decision. In order to provide due process of law, it seems that a full-blown

explanation of why a decision is made should be part of the record so that an appeal from that decision to the courts can be facilitated for those who do not agree with it.

Particularly in the area of the so-called public benefits test, there is very little discussion of the considerations given as to whether, for example, approval or denial of an application would result in more or less competition, an increase in the concentration of economic power, greater convenience to the public or unfair competition. These are important concepts deliberately required by the statute to be examined carefully by the Federal Reserve Board in making its determinations, and they should be carefully examined in every case. It is not clear from the opinions to date that this has been done.

Other procedural questions, such as delegation of authority to the regional Federal Reserve banks and an adequate hearing process have also been raised. It may be necessary for Congress to consider amendments to the act to correct these important procedural defects as well.

In fact, in light of the above discussion, careful consideration of the need for an entirely new administrative process involving a separate regulatory organization may very well be in order.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. JOHNSON of California (at the request of Mr. O'NEILL), for today and Friday, December 14, on account of illness.

Mr. ANDREWS of North Dakota (at the request of Mr. RHODES), after 4:30 p.m. for the balance of the day, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YOUNG of South Carolina), to revise and extend their remarks, and to include extraneous matter:)

Mr. MCCLORY, on Tuesday, December 18, for 60 minutes.

Mr. BAKER, today, for 5 minutes.

(The following Members (at the request of Mr. OWENS) to revise and extend their remarks and include extraneous material:)

Mr. VANIK, for 20 minutes, today.

Mr. ROONEY of Pennsylvania, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. CHAPPELL, for 5 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. DULSKI, for 5 minutes, today.

Mr. MELCHER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BRADEMAS, and to include extraneous matter notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $679.

Mr. BINGHAM, and to include extraneous matter notwithstanding the fact that it exceeds six pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,254.

Mr. KEMP to revise and extend his remarks immediately following Mr. PRICE of Texas on the Broyhill amendment in the Committee of the Whole today.

Mr. FRENZEL to revise and extend his remarks immediately following Mr. PRICE of Texas on the Broyhill amendment in the Committee of the Whole today.

Mr. WINN to revise and extend his remarks immediately following Mr. PRICE of Texas on the Broyhill amendment in the Committee of the Whole today.

Mr. YOUNG of South Carolina to revise and extend his remarks immediately following Mr. PRICE of Texas on the Broyhill amendment in the Committee of the Whole today.

Mr. FASCELL on H.R. 11450 and to include extraneous matter.

Mr. CONTE, and to include a statement right after the Ancher Nelsen amendment.

Mr. BEVILL to revise and extend his remarks on the Dingell amendment.

Mr. HECHLER of West Virginia, and to include extraneous matter.

(The following Members (at the request of Mr. YOUNG of South Carolina, and to include extraneous material:)

Mr. FRELINGHUYSEN.
Mr. PRICE of Texas.
Mr. CRANE in five instances.
Mr. ARCHER in two instances.
Mr. HUBER in three instances.
Mr. BAKER.
Mr. ERLENBORN.
Mr. HOSMER in two instances.
Mr. MCCLOSKEY in two instances.
Mr. DON H. CLAUSEN.
Mr. STEIGER of Arizona.
Mr. CONTE.
Mr. PRITCHARD.
Mr. SHRIVER.
Mr. MCCLORY.
Mr. KEMP.
Mr. DERWINSKI in two instances.
Mr. CLEVELAND.
Mr. DENNIS.
Mr. ASHBROOK in three instances.

(The following Members (at the request of Mr. OWENS) and to include extraneous material:)

Mr. JONES of Tennessee.
Mr. MCSPADDEN in two instances.
Mrs. GRIFFITHS.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. O'NEILL.
Mrs. SCHROEDER.
Mr. HARRINGTON in three instances.
Mr. BRINKLEY.
Mr. WALDIE in four instances.
Mr. YATRON.
Mr. EVINS of Tennessee.
Mrs. CHISHOLM.
Mr. RYAN in two instances.
Mr. RIEGLE.
Mr. NIX.
Mr. JONES of Alabama.
Mr. PATTEN.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3490. An act to amend section 40b of the Bankruptcy Act (11 U.S.C. 68(b)) to remove the restriction on change of salary of full-time referees.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 27 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, December 14, 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:

1633. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Harry G. Barnes, Jr., Heyward Isham, Ralph McGuire, David H. Popper, Francis Edward Meloy, Jr., Anthony D. Marshall, Joseph John Jova, and U.S. Representative-designate to the European Office of the United Nations Francis L. Dale, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1634. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the annual report of the Department of Defense on its disposition of foreign excess personal property during fiscal year 1973, pursuant to section 404(d) of Public Law 81–152; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. S. 513. An act to amend section 232 of the National Housing Act to authorize insured loans to provide fire safety equipment for nursing homes and intermediate care facilities (Rept. No. 93–729). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Select Committee on Small Business. Report on the problems of third party prepaid prescription programs (Rept. No. 93–730). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORN:

H.R. 11937. A bill to require the Secretary of the Interior to make a feasibility study of connecting state Highway 11 in South Carolina with the proposed Blue Ridge Parkway extension; to the Committee on Interior and Insular Affairs.

H.R. 11938. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy or physician's office; to the Committee on the Judiciary.

By Mr. HUBER:

H.R. 11939. A bill to amend the Economic Stabilization Act of 1970 to exempt stabiliza-

tion of the price of petrochemicals from coverage under the act; to the Committee on Banking and Currency.

H.R. 11940. A bill to impose an embargo on the export of petrochemicals until price controls on petrochemicals are removed; to the Committee on Banking and Currency.

By Mr. KARTH (for himself, Mr. CONABLE, Mr. PETTIS, Mr. ULLMAN, Mr. WAGGONNER, Mr. BURKE of Massachusetts, Mr. CAREY of New York, Mr. BURLESON of Texas, Mr. CORMAN, Mr. LANDRUM, Mr. CLANCY, and Mr. FULTON):

H.R. 11941. 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. KEMP:

H.R. 11942. A bill to prohibit common carriers in interstate commerce from charging elderly people more than half fare for their transportation during nonpeak periods of travel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LENT:

H.R. 11943. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. MARAZITI:

H.R. 11944. A bill to direct the President to prohibit the export of oil drilling and refining equipment; to the Committee on Banking and Currency.

By Mr. PRICE of Texas:

H.R. 11945. A bill to amend the Clean Air Act in order to exempt motor vehicles operated or purchased in certain rural areas from certain emission control requirements; to the Committee on Interstate and Foreign Commerce.

By Mr. RARICK (for himself, Mrs. HOLT, Mr. NICHOLS, Mr. TALCOTT, Mr. VEYSEY, Mr. CAMP, and Mr. BAUMAN):

H.R. 11946. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 11947. A bill to impose an embargo on the export of petrochemicals until price controls on petrochemicals are removed; to the Committee on Banking and Currency.

By Mr. RUNNELS:

H.R. 11948. A bill to establish an Auto Insurance Rate Reduction Commission to study the impact of fuel conservation actions on auto insurance costs and to recommend legislation which would implement appropriate reductions in auto insurance premiums; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 11949. A bill to declare that certain federally owned land is held by the United States in trust for the Kiowa, Commanche, and Apache Indian Tribes of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. STUBBLEFIELD:

H.R. 11950. A bill to amend the National Emissions Standards Act in order to conserve fuel; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN (for herself, Mr. MURPHY of New York, Mr. LEGGETT, Mr. ECKHARDT, Mr. BOWEN, Mr. FORSYTHE, Mr. DU PONT, Mr. LOTT, and Mr. TREEN):

H.R. 11951. A bill to authorize the construction and operation of high seas oil ports, to be located in the offshore coastal waters of the United States, in order to facilitate the importation of petroleum and petroleum products into the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WALDIE:

H.R. 11952. 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.

H.R. 11953. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. BRASCO, Mrs. CHISHOLM, Mr. DUNCAN, Mr. FAUNTROY, Mr. HARRINGTON, Mr. KOCH, Mr. MATSUNAGA, Mr. OWENS, Mr. METCALFE, Mr. MOAKLEY, Mr. MOORHEAD of Pennsylvania, Mr. PODELL, Mr. ROSENTHAL, Mr. YATES and Mr. YATRON):

H.R. 11954. A bill to amend the Internal Revenue Code of 1954 to allow an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

By Mr. POAGE (for himself, Mr. STUBBLEFIELD, Mr. FOLEY, Mr. BERGLAND, Mr. PRICE of Texas, and Mr. THONE):

H.R. 11955. A bill to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes; to the Committee on Agriculture.

By Mr. McCORMACK:

H.R. 11956. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Illinois (for himself, Mr. HOLIFIELD, and Mr. HOSMER):

H.R. 11957. A bill to amend the Atomic Energy Act of 1954, as amended, to restructure the hearing process with respect to licenses to construct or operate utilization or production facilities; to the Committee on the Joint Committee on Atomic Energy.

By Mr. RARICK:

H.R. 11958. A bill to authorize and direct the Administrator of the Federal Energy Administration to study and develop methods whereby agricultural crops and their by-products may be employed as an alternate source of energy; to the Committee on Agriculture.

By Mr. RYAN:

H.R. 11959. A bill to amend the Federal Election Campaign Act of 1971, to establish a campaign financing fund with respect to Federal elections, and for other purposes; to the Committee on House Administration.

By Mr. TIERNAN:

H.R. 11960. A bill to amend section 64 of the Bankruptcy Act to increase the maximum amount of wages and commissions accorded a priority over other debts of a bankrupt, and to clarify the definitions of wages accorded such priority; to the Committee on the Judiciary.

By Mr. HANLEY (for himself, Mr. ANDERSON of California, Mr. BALILLO, Mr. BELL, Mr. BRASCO, Mr. BRECKINRIDGE, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DOMINICK V. DANIELS, Mr. DENHOLM, Mr. DERWINSKI, Mr. DU PONT, Mr. EILBERG, Mr. WILLIAM D. FORD, Mr. FRENZEL, Mr. FREY, Mrs. GRASSO, Mr. GUDE, Mr. HOGAN, Mrs. HOLT, Mr. HUDNUT, Mr. HUNGATE, Mr. KYROS, and Mr. MELCHER):

H.J. Res. 860. Joint resolution to provide for the designation of February 20 of each year as "Postal Employees Day"; to the Committee on the Judiciary.

By Mr. HANLEY (for himself, Mr. MOAKLEY, Mr. PICKLE, Mr. PODELL, Mr. ROE, Mr. RONCALLO of New York, Mr. ROSENTHAL, Mr. ROY, Mr. SEBELIUS, Mr. STARK, Mr. THONE, Mr. WALDIE, Mr. WALSH, Mr. CHARLES H. WILSON of California, and Mr. YATRON):

H.J. Res. 861. Joint resolution to provide for the designation of February 20 of each year as "Postal Employees Day"; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. SEIBERLING, Mr. HUBER, Mr. RUPPE, Mr. ST GERMAIN, Mr. BREAUX, Mr. RIEGLE, Mr. CLEVELAND, Mr. GUYER, Mr. HORTON, Mr. STEIGER of Arizona, Mr. CLANCY, Mr. McCLORY, Mr. COLLINS of Texas, Mr. ROBERT W. DANIEL, JR., Mr. EVINS of Tennessee, Mr. HUNT, Mr. LEHMAN, Mr. HELSTOSKI, Mr. ANDERSON of Illinois, Mr. KYROS, Mr. MILLER, Mr. FINDLEY, and Mr. ABDNOR):

H.J. Res. 862. Joint resolution authorizing increased production of petroleum from the Elk Hills Naval Petroleum Reserve for national defense purposes; to the Committee on Armed Services.

By Mr. ROYBAL (for himself and Mr. PETTIS):

H.J. Res. 863. Joint resolution to designate the third week in April of each year as "National Coin Week"; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 864. Joint resolution to amend the Housing and Urban Development Act of 1968 to increase the limitation on the face amount of flood insurance coverage authorized to be outstanding and to extend the emergency flood insurance program, and other purposes; to the Committee on Banking and Currency.

By Mr. ECKHARDT (for himself, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. HARRINGTON, Mrs. HECKLER of Massachusetts, Mr. HELSTOSKI, Mr. LEHMAN, Mr. MAZZOLI, Mr. MELCHER, Mr. METCALFE, Mrs. MINK, Mr. MOAKLEY, Mr. NIX, Mr. RANGEL, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. STARK, and Mr. TIERNAN):

H. Con. Res. 400. Concurrent resolution, U.S. military involvement in Southeast Asia; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. PEPPER introduced a bill (H.R. 11961) for the relief of Edward M. Fleming Construction Co., Inc., a corporation in the process of liquidation represented by its surviving board of directors, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

374. The SPEAKER presented a petition of the council of the city of Parma, Ohio, relative to granting relief to radio station WSUM, of Parma, in the event full time daylight saving time is instituted, which was referred to the Committee cn Interstate and Foreign Commerce.