

MR. HERSHEL WELLS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1973

Mr. CARTER. Mr. Speaker, once, maybe twice, one encounters a man after whom his life should be patterned.

I wish to share with my colleagues the story of Mr. Hershel Wells, of Summer Shade, Ky., as it appeared in the Edmonton, Ky., Herald-News for September 21, 1973.

I commend Mr. Wells for his fine record of achievement and contribution. Teacher, farmer, civil servant, banker, his store of knowledge has made him an authority in many fields of endeavor.

It should be said that he will never be a grump, if he ever grows old.

HERSHEL WELLS—"I'M NOT GOING TO BE GRUMPY WHEN I GET OLD"

Such words as humorous, witty and entertaining come to mind in trying to describe Hershel Wells. Or you could just say he is a close relative of Earl Harvey's then no other description would be necessary.

At any rate, he says he made up his mind a long time ago that he was not going to be grumpy when he gets old. If he keeps going the way he is now, when he gets old he will never be called a grump.

A resident of Summer Shade, Rt. 3, Wells was born in Barren County, but according to his own testimony, as soon as he got big enough to know anything, he had his folks move him to Metcalfe. This all took place of course when he was somewhere around the age of one.

In early manhood, Hershel was a teacher in the rural schools of Huffman, Lone Star and Beaumont. He married Mary Agnes Barrett, one of his pupils from Huffman School. The attractive Mrs. Wells explained this saying, "well, I thought I had to mind the teacher so when he said, 'Marry me,' I did!"

Giving up teaching, Hershel worked for a number of years in the ACP (now ASCS) office in Edmonton and also was later employed at the Edmonton State Bank as a teller. Moving nearer home, he took a job as cashier at the Bank of Summer Shade for about two years before settling down at the Deposit Bank in Tompkinsville for a period of sixteen years.

He became president of the bank there and is still on the board of directors, although he has retired. Looking back over the different types of jobs he has held, Hershel said, "I'd rather draw Social Security than anything I ever did!"

Actually, he claims his real reason for retirement had nothing to do with age.

"I never had stayed home long enough to get to know my wife and she always seemed like such a nice person, I decided it was time I got acquainted with her."

They have spent some time traveling since

his retirement, visiting the Black Hills of South Dakota, and making a couple of trips to Florida and Alabama. They agree that the most delightful trip they have ever taken was through eastern Kentucky.

Hershel hopes that he will be like an Uncle Ogee Wells of Oregon. "Although 81 years old, he drove from Los Angeles to Indiana to settle a business deal then drove from there back to his home in Oregon."

Hershel and his wife are members of the Christian Church at Summer Shade, where he was superintendent of Sunday School for a number of years. Now he is assistant teacher of the men's class and an elder of the church.

Reflecting briefly upon the condition of the world today, he says it is no wonder people are turning to drugs and alcohol as an escape from life. "Without faith and hope in Jesus, how can anyone face the future?"

The wells have two daughters and a son all married and settled nearby. They also have been blessed with ten grandchildren and two great-grandchildren.

While they have never had to baby sit with all of them at once, Hershel says, "We babysit constantly. The grandchildren all love us dearly, for which we are proud. They bring their clothes and come to our house and would never leave."

Through all of the different types of public work he has held, he has farmed consistently. And although his crop is rented out, he always finds enough to do to keep busy, even now, helping out on his own farm and keeping an eye on things for his son and son-in-law, who farm and work in Tompkinsville, too.

Not long ago, Wells' father-in-law was in Summer Shade and met a fellow who was looking for hands to help cut his tobacco. The story goes that Mr. Barrett told him he knew who he could get to help. "Hershel Wells," he said. "He's got three crops and another one ain't gonna hurt him none."

Deciding that he had mentioned everything in his life that was of importance, Wells glanced at his wife, and asked "Have I done anything else, except be one of the best husband's you've ever had?"

She allowed that he hadn't and that since he was the only husband she'd ever had, he must surely have been the best.

This does seem to be one pupil-teacher relation that is pretty nearly perfect.

GREAT NECK RESOLUTION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1973

Mr. WOLFF. Mr. Speaker, I would like to insert into the RECORD a resolution unanimously adopted by the members of the Great Neck, N.Y. Chamber of Commerce in favor of continuing Federal funds for community agencies which

provide the much needed and appreciated assistance to the elderly, the sick, the poor, and the disabled. I would like to commend the Great Neck Chamber of Commerce for its sense of humanitarianism:

A RESOLUTION UNANIMOUSLY APPROVED BY THE GREAT NECK CHAMBER OF COMMERCE, MARCH 15, 1973

Whereas, the Great Neck Chamber of Commerce wishes to foster the continuation of federal funding for health, education, housing and antipoverty programs within the community; and

Whereas, the Chamber of Commerce is proud of the record of accomplishment achieved by community agencies which receive federal funding here; and

Whereas, no arrangements have yet been made for other agencies to assume the burden from the federal government, and even a temporary loss of funding would produce undue hardships for persons and programs; and

Whereas, funds are available on the federal level, unless priorities are given to funding human services, an undue burden is placed on a state, county, and local level.

Therefore, be it resolved that the Chamber of Commerce petitions the President of the United States, the Congress, and all our local officials to create a climate of financial support for all programs, local and national, providing human services for the sick, the aged, and the poor.

THE DISCONNECTED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 3, 1973

Mr. RANGEL. Mr. Speaker, in 1972, Columbia University Prof. Penn Kimball wrote a book entitled "The Disconnected." Mr. Kimball presented studies of important American urban elections and the related problems of voter registration. In the introduction, Mr. Kimball wrote:

There will probably be no significant improvement in public participation in the electoral process until the federal government takes the initiative to qualify eligible voters rather than place the onus upon individuals thwarted by outmoded state and local regulations. Voting in America is enmeshed in a spider's web of prior restraints.

The National Voter Registration Rights Act of 1973 (H.R. 4846) that I have introduced in Congress will serve to bring millions of "The Disconnected"—blacks, chicanos, the poor, rural citizens—into the American political process.

I highly recommend Mr. Kimball's book to my colleagues in Congress.

HOUSE OF REPRESENTATIVES—Wednesday, April 4, 1973

The House met at 12 o'clock noon.

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

The kingdom of God is not meat and drink; but righteousness and peace and joy in the Holy Spirit.—Romans 14: 17.

Eternal God and Father of us all, ever near, ever loving, ever ready to help, purify our hearts, clarify our vision, and strengthen our spirits as we wait upon

Thee. Deliver us from discouraging doubts, free us from fretful fears, save us from the spirit which promotes disunity and produces division. Lead us into the fresh air of faith and freedom and keep us in the atmosphere of life and love that the benediction of Thy peace and the blessing of Thy presence may rest upon us, upon our Nation, and upon our world.

"Send down Thy peace, O Lord; Earth's bitter voices drown In one deep ocean of accord; Thy peace, O God, send down." Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's pro-

ceedings 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 a bill of the following title, in which the concurrence of the House is requested:

S. 800. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the compensation of innocent victims of violent crime in financial stress; to make grants to the States for the payment of such compensation; to authorize an insurance program and death benefits to dependent survivors of public safety officers; to strengthen the civil remedies available to victims of racketeering activity and theft; and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 78-301, appointed Mr. Moss as a member, on the part of the Senate, of the Board of Visitors to the U.S. Merchant Marine Academy.

The chairman of the Committee on Commerce (Mr. MAGNUSON) under the above-cited law appointed Mr. Long and Mr. BEALL as members of the same Board of Visitors.

The message also announced that the Vice President, pursuant to Public Law 81-207, appointed Mr. RIBCOFF as a member, on the part of the Senate, of the Board of Visitors to the U.S. Coast Guard Academy.

The chairman of the Committee on Commerce (Mr. MAGNUSON) under the above-cited law appointed Mr. PASTORE and Mr. Cook as members of the same Board of Visitors.

INSURED LOAN PROGRAM FOR REA

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

Mr. DAVIS of South Carolina. Mr. Speaker, I rise today first of all to say that the legislation before us today concerning the REA is a most important measure. It goes to the interests of the people all over this country.

I support this legislation, as does my colleague, the gentleman from Georgia (Mr. MATHIS) and my colleague, the gentleman from Alabama (Mr. FLOWERS). Throughout the southern part of this country my colleagues join me in supporting this bill on our side of the aisle.

I would say to the Members that if this bill today is interrupted at times because of quorum calls it is because we feel it needs the full attention of every Member. Therefore, Mr. Speaker, any quorum call will not be made to delay action on this bill. We can finish it today. We need to finish it today so we can go on with the other business of the House. However, we do need the attention of all Members.

CALL OF THE HOUSE

Mr. DAVIS of South Carolina. 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. 69]

Ashley	Drinan	Moorhead, Pa.
Badillo	Fountain	O'Hara
Biaggi	Harvey	Price, Tex.
Buchanan	Holifield	Railsback
Carney, Ohio	Karth	Reid
Chisholm	Kastenmeier	Rooney, N.Y.
Clark	King	Shipley
Dellums	Lent	Staggers
Diggs	McEwen	Young, Ill.
Dingell	Martin, N.C.	

The SPEAKER. On this rollcall 404 Members have recorded their presence by electronic device, a quorum.

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

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS TOO LITTLE OF THE CONSUMER'S DOLLAR GETS BACK TO THE FARMER

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

Mr. O'NEILL. Mr. Speaker, this new round of inflation is further evidence that President Nixon acted prematurely in lifting wage and price controls last January.

This time inflation has had the unfortunate additional consequence of araying the consumer against the farmer. The consumer feels he is paying too much for food, and the farmer feels he is getting too little for his produce.

What is happening here is that too little of the consumer's dollar is getting back to the farmer. We need to know how much is unjustifiably lost to middlemen and the big dealers like those who skimmed the cream off the Russian wheat sale last summer.

The American farmer today has an arduous task—especially the small- and medium-sized independent farmer. He needs some \$50,000 to \$60,000 worth of equipment; he carries a debt financed into the indefinable future; his workdays are sunup to sundown 7 days a week; his crop is at the mercy of the weather.

Despite these obstacles, American farmers in this century have regularly achieved miracles of agricultural production. They have done so well, in fact, that their very abundance has served to depress farm prices.

President Nixon's selective price controls on red meat discriminate against the farmer. We need a comprehensive system of controls until we lick inflation. And in the longer range we need a better means of assuring that the farmer actually receives the financial remuneration that is due him.

THE AMERICAN FARMER

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

Mr. GERALD R. FORD. Mr. Speaker, I am delighted that the gentleman from Massachusetts, the distinguished Democratic majority leader, is now trying to retrieve his indefensible position with the American farmer. Just a few days ago he was up on the floor in effect castigating the farmers of America and he frankly admitted by inference if not directly that what he was saying would gut the American farmer.

I appreciate windowsill farmers trying to give the farmers of America some credit, but he cannot be on both sides of the issue. A few days ago he was against the farmers of America. Today he is praising them. I just wish the gentleman would make up his mind one way or the other.

UNDERSTANDING THE FARMERS OF AMERICA

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

Mr. ARENDS. Mr. Speaker, I would like to take this opportunity to speak directly to the majority leader. I would like to invite him if he could possibly get away for an all-expense-paid tour, paid for by myself, to visit the farm area I represent and thereby give him an opportunity to really understand what goes on in agriculture today. I think it would be beneficial and enlightening to him.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I will yield to the gentleman from Massachusetts if he will accept my invitation.

Mr. O'NEILL. I just spent 3 days as a guest in South Dakota of the gentleman from South Dakota (Mr. DENHOLM), and I appreciate the situation of the farmer.

Let me say this. The minority leader must have misinterpreted my remarks the other day. What I was saying was in favor of the farmers. I say to the gentleman, it would have been a gutsy thing if he went to the small farmers of America and told them how the cream was skimmed off the wheat deal of last summer.

Mr. ARENDS. Let me say to the gentleman from Massachusetts, that having a basic understanding of what the real farm problem is, I believe if the gentleman from Massachusetts were given the opportunity to understand the fundamentals and the basics of what is involved he would be making a rather different speech than the statements he is presently making to the House.

Mr. O'NEILL. I think there is a great element of understanding and truth in my statements.

EFFECT OF WHEAT DEAL WITH RUSSIA ON FARMING IN AMERICA

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

ute, to revise and extend his remarks and include extraneous matter.)

Mr. HAYS. Mr. Speaker, I would like to say to the gentleman from Illinois I know something about the basic what farm problems and farming in general and I have done a little research on it. The wheat deal with Russia just cost the American consumers about \$2 a bushel more than they would have had to pay for grain if the deal had not been made. It was added to the price of bread, and then of course the bread manufacturers put their 2 cents in and the whole thing went up. If people think this kind of export is not costing us, they are wrong.

Another thing, the devaluation of the dollar which the President said was not going to hurt us has pushed up the price of everything we eat, because it has made the dollar worth less abroad. That is part of the reason why the beef price went up. It is because we are exporting beef like we never did before, because the consumers overseas can buy beef cheaper than the American consumers.

GENERAL LEAVE FOR TRIBUTES TO THE LATE PRESIDENT LYNDON B. JOHNSON

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

Mr. PICKLE. Mr. Speaker, many Members of the House have made statements and extensions in the RECORD on the life, character, and service of the late President Lyndon B. Johnson. Many Members have asked me how many legislative days remain within which they may make insertions in the RECORD.

For that reason, Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the life, character, and public service of the late Lyndon B. Johnson.

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

There was no objection.

CORRECTING INEQUITY IN FEED GRAIN SET-ASIDE PROGRAM

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

Mr. GROSS. Mr. Speaker, I am today submitting legislation designed to correct a most inequitable situation which has developed because of action by the Department of Agriculture in regard to the feed grain set-aside program.

What has happened is that after widespread urging of feed grain producers to sign up for the so-called plan B, under which no acreage is set aside, the Department then changed the rules to provide a bonanza for those grain growers who signed up for plan A, an option which originally called for participants to keep 25 percent of their acreage out of production in return for a specified Federal subsidy.

After the ballgame had started, the Department suddenly announced a few days ago that the set-aside for plan A participants was being reduced to 10 percent, but that the subsidy would remain unchanged.

My bill, Mr. Speaker, directs the Secretary of Agriculture to reopen the registration books for the set-aside program for 21 days and permit those plan B producers who wish to do so to switch to plan A.

It is absolutely wrong in principle to change the rules of the game after it has begun and I urge the Committee on Agriculture to take immediate action on this bill so that all feed grain producers are given a fair shake.

AGRICULTURAL AND FOOD PRICES

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

Mr. BROWN of Michigan. Mr. Speaker, hearing the discussion on the floor just a few minutes ago about agricultural prices and food prices prompted me to speak, for I was appalled today to see the Democratic majority on the Banking and Currency Committee reverse its action of yesterday, taken with some of our help, to roll back food prices to May 1 of 1972, which action of yesterday was certainly a strike in favor of the consumer.

However, that very same Democratic majority which rolled back food prices to May 1, 1972, yesterday, reconsidered the vote today and by moving the freeze and roll-back date all the way up to January 19, 1973, imposed upon the consumer all of the increases in food prices which have occurred since May 1, 1972.

The Democrat majority says it supports the consumer. I will let the consumer draw his own conclusions but I would suggest this is about as bad a case of turn-coat conservatism as I have ever seen.

CONFERENCE REPORT ON H.R. 3577, INTEREST EQUALIZATION TAX

Mr. MILLS of Arkansas. Mr. Speaker, I call up the conference report on the bill (H.R. 3577) to provide an extension of the interest equalization tax, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 28, 1973.)

Mr. MILLS of Arkansas (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

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

There was no objection.

Mr. MILLS of Arkansas. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Senate made 15 amendments to the interest equalization tax as it was passed by the House. All but two of these amendments were relatively minor and technical in nature, and all but one of these amendments were strictly concerned with the interest equalization tax itself and are, therefore, fully germane amendments.

The amendment which was unrelated to the interest equalization tax and which the House conferees did not accept would have called for the submission to Congress by the Secretary of the Treasury, proposals for a comprehensive reform of the internal revenue laws within 120 days of the date of enactment of this bill. Not only would this amendment have not been germane to the interest equalization tax but, in addition, it was wholly unnecessary. It is unnecessary because the Secretary of the Treasury has already agreed to appear before the Ways and Means Committee and present his proposals for tax reform on April 30 and possibly also on May 1. As a result, we will, well within the 120-day period, receive the administration proposals on tax reform, making this amendment entirely unnecessary.

The other important amendment to the bill which the Senate made would have extended the interest equalization tax until April 1, 1975. The version of the bill as passed by the House would extend the tax until July 1, 1974. Some of the Members of the House, including members of the Ways and Means Committee, wanted this tax extended only through June 30, 1974, because they wanted a chance in this Congress to review the possibility of making the base of this interest equalization tax more comprehensive than is true at the present time. Whether the Congress at that time will want to do so or not, I do not know. However, your conferees on the part of the House thought it was only appropriate to provide the Members of the House with an opportunity to review the nature of this tax later in this Congress. At that time, Congress will have an opportunity to see whether it wants to continue the tax for any appreciable period of time or only for the 6-month period requested by the Treasury Department. It will also have an opportunity then to consider possible revisions in the tax base.

The remaining amendments made by the Senate were for the most part technical in nature, and had been worked out carefully by the Treasury Department and the congressional staffs. These amendments are explained fully in the statement of managers accompanying the conference report.

One of these amendments which I believe to be especially desirable is the one which calls for a report from the Secretary of the Treasury by September 30 of this year as to whether the present exemption from the interest equalization tax with respect to new issues should be continued in the case of Canada. This exemption was provided in order to maintain monetary stabilization. I think it is entirely appropriate to obtain a re-

port from the Secretary of the Treasury as to whether this exemption any longer serves this purpose.

I should point out that today is the 4th of April and that this tax expired on the 31st of March. However, similar to the Congress' action in 1969, this tax will be effective, if we agree to the conference report, from March 31, 1973, through June 30, 1974. In light of this, I think it is especially important that favorable action be taken on the conference report today.

Mr. GROSS. Mr. Speaker, will the gentleman yield.

Mr. MILLS of Arkansas. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman say that all 15 amendments are germane to the bill?

Mr. MILLS of Arkansas. All of them are germane except for the one I just discussed pertaining to the date the Treasury was to report the administration's recommendations on tax reform. As I indicated this amendment was not agreed to by the House conferees.

Mr. GROSS. Was there any diminution of the discretionary power of the President to act?

Mr. MILLS of Arkansas. No, none of them do that. Most of them either correct matters in the language in the House-passed bill or deal with other minor technical issues.

Mr. GROSS. In other words, the powers delegated to the President to act under certain circumstances remain intact?

Mr. MILLS of Arkansas. Yes, sir.

Mr. GROSS. It is the delegations of powers to which some of us in the House, a score or more, took exception when the bill was originally before the House. There still is that power, which is still there in the extension?

Mr. MILLS of Arkansas. Let me say to my friend from Iowa that I do not like, any more than I am sure he does not like, to give the President discretionary authority when it can be avoided, but I do not see how the Congress itself can exercise the function of determining the rate of the interest equalization tax when this tax rate needs to vary from time to time as the difference between domestic and foreign interest rates either widens or narrows. I believe that under these kinds of circumstances the President and those who advise with him in the executive department are in a better position to make those decisions than we could possibly do here because of our lack of machinery to do it.

Mr. GROSS. Of course, that is the story of the sponsor with respect to every bill, when there is delegated authority; that for some strange, inexplicable reason the President must have discretionary power to do a multitude of things.

Mr. MILLS of Arkansas. The reason why we do it is because of the constant fluctuation from day to day in the rates of interest here vis-a-vis the rates of interest in other countries. We cannot keep up with this variation.

Mr. GROSS. The same thing applies to the foreign aid bill.

Mr. MILLS of Arkansas. No; this is

different. In fact we in the past have made quite clear that the right of the President to set rates in the case of this tax could not be considered a precedent for other taxes.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SCHNEEBELI).

Mr. SCHNEEBELI. Mr. Speaker, in further answer to the gentleman from Iowa I should like to point out there is a very limited guideline within which the President can act, between zero and 1½ percent. It is also the recommendation that this legislation be phased out as quickly as possible.

Mr. Speaker, I support the action taken by the conferees on H.R. 3577, the Interest Equalization Tax Extension Act of 1973. Like the House bill, the bill agreed to by the conferees would extend the Interest Equalization Tax provision for 15 months through June 30, 1974.

As I said on February 27 when H.R. 3577 was being considered by this body, the need for a continuation of this tax can be clearly seen by a review of our current balance-of-payments problems and by considering the effects its elimination at this time could have on our Government's efforts to attack the fundamental causes of these problems. In 1972, our merchandise trade balance was in deficit by \$6.4 billion; and we ran a balance-of-payments deficit of \$5.8 billion on current account and \$9.2 billion on a basic balance basis. These are serious problems and while the extension of the interest equalization tax will not solve them, it can maintain the framework that will enable our current efforts to attack the fundamental causes of disequilibrium to bear fruit.

While we recognize the current need for extending the IET for this 15-month period, we are determined to phase out the tax as soon as we can. In recommending that the tax be phased out no later than December of next year, Secretary Shultz stated on February 12:

The phasing out of these restraints (including I.E.T.) is appropriate in view of the improvement which will be brought to our underlying payments position by the cumulative effect of the exchange rate changes, by continued steps in curbing inflationary tendencies and by the attractiveness of the U.S. economy for investors abroad. The termination of the restraints on capital flows is appropriate in light of our broad objective of reducing governmental controls on private transactions.

As I previously indicated, the conference agreement provides for an extension of the IET only through June of 1974. This will provide an additional opportunity for the Congress to review this tax again during this Congress. It is our deep conviction and hope that major steps will be taken during the interim to restructure the international monetary system, improve our trading posture, and eliminate reliance on the IET.

The conference bill includes all the provisions which were contained in the House-passed version with a few minor modifications, primarily of a technical nature. Additionally, several amend-

ments of a limited application were adopted by the Senate, and agreed to by the conferees, to make the IET work better. The chairman has explained the conference report in considerable detail, and the amendments are also explained in the conference report. Accordingly, I will not take the time of the House to explain these exceedingly technical amendments.

Let me emphasize that this legislation is required and required now. The provisions in existing law expired last Saturday, March 31, with the result that it is imperative that we act now to extend the tax.

I urge the adoption of the conference report.

Mr. COLLIER. Mr. Speaker, the chairman has concisely summarized the action of the conferees on this bill. Hence, there is no need for me to belabor that aspect of the legislation.

It is important that the House act promptly on this bill to extend the law beyond its expiration date which was midnight of last Saturday, March 31. Prompt action will assure uninterrupted applicability of the tax at the rates and under the procedures in effect on that date.

The IET is intended to discourage borrowers from other industrialized countries from raising long-term financing in the United States, and thus creating an unnecessary drain on the U.S. balance of payments. The tax has the effect of increasing the foreign borrower's interest rate, by an amount of three-quarters of 1 percent per year. The IET is also intended to discourage purchases of foreign stocks by Americans. Together with this country's two other capital control programs—the Commerce Department's foreign direct investment program, and the Federal Reserve Board's voluntary foreign credit restraint program—the IET has been a significant deterrent to the excessive outflow of U.S. capital funds since it was first enacted in 1963.

The IET was initially enacted as a temporary measure, but the continuing deterioration in the U.S. balance of payments required that it be extended from time to time. The administration believes that the dollar devaluation announced in February will help to improve our balance of payments substantially. However, the beneficial effects of the devaluation take time to emerge and some of the immediate effects may actually tend to increase the deficit. We need to continue the IET as we work with our trading partners to develop changes in the international monetary system.

Treasury Secretary Shultz has said that we look to these negotiations to help establish a world economic system which facilitates balance of payments adjustments without resort to capital controls. He has indicated the administration's intention to phase out IET and similar programs as permanent international monetary realignments take place.

In the meantime, the administration has asked that the IET be renewed again, in order to help stabilize our balance of

payments position during this important transition period.

The bill to extend the IET contains a number of technical amendments which were added in the Senate and which were agreed to by the House Conference. I support them and urge your support for this measure.

Mr. BROYHILL of Virginia. Mr. Speaker, I urge prompt House approval of H.R. 3577 in view of the fact that the provisions of the IET Extensive Act of 1971 expired at midnight last Saturday, March 31.

The enactment of H.R. 3577 will provide continuing support for our country's capital control programs. The extension of the IET will help prevent the outflow of dollars to foreign borrowers during a period which hopefully will be marked by permanent and fundamental changes in our international monetary reform arrangements and a strengthening of our balance of payments position as a result of the recent devaluation of the dollar.

The provisions of H.R. 3577 will extend the IET through June 30, 1974. It is intended that the bill shall be effective as of midnight, March 31, 1973, in order that the tax shall continue uninterrupted after that date. It should be stressed that the stock exchanges and the brokers who deal in foreign securities that are subject to the IET, as well as the banks and trust companies who are custodians of those securities, are operating under interim procedures adopted by their governing bodies. They have made every effort to be cooperative but now the Congress must act promptly in order to assure that transactions in foreign securities shall continue to be processed in an orderly manner which will guarantee collection of the tax where it is applicable.

Mr. Speaker, the conferees accepted a number of technical amendments of the Senate which will enhance the overall effectiveness of this tax. I supported them in conference and I urge their support here.

For these reasons, I ask my colleagues to support the Interest Equalization Tax Extension Act of 1973.

GENERAL LEAVE

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the conference report.

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

There was no objection.

Mr. MILLS of Arkansas. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 18, not voting 19, as follows:

[Roll No. 70]

YEAS—396

Abdnor	de la Garza	Howard	Nelson	Ruth
Abzug	Delaney	Huber	Nichols	St Germain
Adams	Dellenback	Hudnut	Obey	Sandman
Addabbo	Dellums	Hungate	O'Brien	Sarasin
Alexander	Denholm	Hunt	O'Hara	Sarbanes
Anderson	Dennis	Hutchinson	O'Neill	Satterfield
Calif.	Derwinski	Ichord	Owens	Saylor
Andrews,	Dickinson	Jarman	Parris	Scherie
N. Dak.	Diggs	Johnson, Calif.	Fassman	Schneebeli
Annunzio	Dingell	Johnson, Colo.	Patman	Schroeder
Archer	Donohue	Johnson, Pa.	Patten	Sebelius
Arends	Dorn	Jones, Ala.	Pepper	Seiberling
Armstrong	Downing	Jones, N.C.	Perkins	Shoup
Ashley	Drinan	Jones, Okla.	Pettis	Shriver
Aspin	Dulski	Jordan	Peyser	Shuster
Bafalis	Duncan	Karth	Pickle	Sikes
Baker	du Pont	Kastenmeier	Pike	Sisk
Barrett	Eckhardt	Kazan	Poage	Skubitz
Beard	Edwards, Ala.	Keating	Podell	Slack
Bell	Edwards, Calif.	Kemp	Freyer	Price, Ill.
Bennett	Ellberg	Ketchum	Quie	Smith, Iowa
Bergland	Erlenborn	Kluczynski	Quillen	Smith, N.Y.
Bevill	Esch	Koch	Randall	Snyder
Biaggi	Eshleman	Kuykendall	Rangel	Spence
Biester	Bingham	Kyros	Rees	Stanton
Blackburn	Evans, Colo.	Landgrebe	Regula	J. William
Blatnik	Evans, Tenn.	Landrum	Reid	Stark
Boggs	Fascell	Findley	Reuss	Steed
Boland	Fish	Fish	Rhodes	Steele
Bolling	Fisher	Leggett	Riegle	Steelman
Bowen	Flood	Lehman	Rinaldo	Steiger, Ariz.
Brademas	Flowers	Lent	Roberts	Steiger, Wis.
Brasco	Foley	Long, La.	Robinson, Va.	Stephens
Bray	Ford, Gerald R.	Long, Md.	Robinson, N.Y.	Stokes
Breax	Ford,	Lott	Rodino	Stratton
Breckinridge	William D.	Lujan	Roe	Stubblefield
Brinkley	Forsythe	McClory	Rogers	Stuckey
Brooks	Fountain	McCloskey	Rooney, Pa.	Studds
Brotzman	Frelinghuysen	McCullister	Rose	Sullivan
Brown, Calif.	Frenzel	McCormack	Rosenthal	Symington
Brown, Mich.	Frey	McDade	Rostenkowski	Talcott
Brown, Ohio	Froehlich	McEwen	Roush	Taylor, Mo.
Broyhill, N.C.	Fulton	McFall	Roy	Taylor, N.C.
Broyhill, Va.	Fuqua	McKay	Royal	Teague, Calif.
Buchanan	Gettys	McKinney	Flannels	Teague, Tex.
Burgener	Giaimo	McSpadden	Ruppe	Zablocki
Burke, Calif.	Gibbons	Macdonald		Zion
Burke, Fla.	Gilman	Madden		Thompson, N.J.
Burke, Mass.	Ginn	Madigan		Zwach
Burleson, Tex.	Goldwater	Mahon		
Burlison, Mo.	Gonzalez	Maillard		
Burton	Goodling	Mallary		
Butler	Grasso	Mann		
Byron	Gray	Maraziti		
Camp	Green, Oreg.	Martin, Nebr.		
Carey, N.Y.	Green, Pa.	Mathias, Calif.		
Carter	Griffiths	Matsunaga		
Casey, Tex.	Gubser	Mayne		
Cederberg	Gude	Mazzoli		
Chamberlain	Gunter	Meeds		
Chappell	Guyer	Melcher		
Chisholm	Haley	Metcalfe		
Clancy	Hamilton	Mezvinsky		
Clark	Hammer	Michel		
Clausen,	schmidt	Milford		
Don H.	Hanley	Miller		
Clawson, Del	Hanna	Mills, Ark.		
Clay	Hanrahan	Mills, Md.		
Cochran	Hansen, Idaho	Minish		
Collier	Hansen, Wash.	Mink		
Collins	Harrington	Minshall, Ohio		
Conable	Harsha	Mitchell, Md.		
Conlan	Hastings	Mitchell, N.Y.		
Conte	Hawkins	Mizell		
Corman	Hays	Moakley		
Cotter	Hechler, W. Va.	Mollohan		
Coughlin	Heckler, Mass.	Montgomery		
Cronin	Heinz	Moorhead, Calif.		
Culver	Helstoski	Moorhead, Pa.		
Daniel, Dan	Henderson	Morgan		
Daniel, Robert W., Jr.	Hillis	Mosher		
Daniels,	Hinshaw	Moss		
Dominick V.	Hogan	Murphy, Ill.		
Danielson	Holifield	Murphy, N.Y.		
Davis, Ga.	Holt	Myers		
Davis, S.C.	Holtzman	Natcher		
Davis, Wis.	Horton	Nedzi		
	Hosmer			

		Ruth	Towell, Nev.
		St Germain	Thomson, Wis.
		Sandman	Thorne
		Sarasin	Thornton
		Sarbanes	Tierman
		Satterfield	Treen
		O'Hara	Udall
		O'Neill	Ullman
		Owens	Van Deerlin
		Parris	Vander Jagt
		Fassman	Vanik
		Patman	Veysey
		Patten	Vigorito
		Pepper	Wagoner
		Perkins	Walde
		Pettis	Walsh
		Peyser	Wampler
		Pickle	Ware
		Pike	Whalen
		Poage	White
		Podell	Whitethurst
		Price, Ill.	Witten
		Quie	Widnall
		Quillen	Wiggins
		Randall	Williams
		Rangel	Wilson, Bob
		Rees	Wilson, Charles H.
		Regula	Calif.
		Reid	Winn
		Reuss	Wolf
		Rhodes	Wright
		Roberts	Wyatt
		Robinson, Va.	Wyder
		Robinson, N.Y.	Wylie
		Rodino	Wyman
		Roe	Yates
		Rogers	Yatron
		Rooney, Pa.	Young, Alaska
		Rose	Young, Fla.
		Rosenthal	Young, Ga.
		Rostenkowski	Young, Ill.
		Roush	Young, S.C.
		Roy	Young, Tex.
		Royal	Teague, Calif.
		Runnels	Teague, Tex.
		Ruppe	Zion
			Thompson, N.J.
			Zwach

NAYS—18

Ashbrook	Gaydos	Powell, Ohio
Broomfield	Gross	Rarick
Cleveland	Grover	Roncalio, Wyo.
Crane	Hicks	Roncalio, N.Y.
Dent	Mathis, Ga.	Rousselot
Flynt	Nix	Symms

NOT VOTING—19

Anderson, Ill.	Harvey	Rooney, N.Y.
Andrews, N.C.	Hebert	Ryan
Badillo	King	Shipley
Carney, Ohio	Martin, N.C.	Staggers
Cohen	Price, Tex.	Wilson
Conyers	Pritchard	Charles, Tex.
Fraser	Railsback	

So the conference report was agreed to. The Clerk announced the following pairs:

Mr. Staggers with Mr. Charles Wilson of Texas.
Mr. Rooney of New York with Mr. Harvey.
Mr. Shipley with Mr. King.
Mr. Hebert with Mr. Price of Texas.
Mr. Carney of Ohio with Mr. Anderson of Illinois.
Mr. Fraser with Mr. Anderson of North Carolina.
Mr. Badillo with Mr. Railsback.
Mr. Conyers with Mr. Cohen.
Mr. Ryan with Mr. Martin of North Carolina.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL STATEMENT

Mr. DELLUMS. Mr. Speaker, on the previous call of the House the clock in my office showed all of the lights on. It did not indicate it was a call of the House. For that reason I was not here. If the clocks had been working correctly, I would have been present.

PERSONAL EXPLANATION

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

Mr. CARNEY of Ohio. Mr. Speaker, unfortunately I have had a case of the flu for the last couple of weeks, and I am going to have to curtail some of my committee work. However, I intend, every time God makes it humanly possible for me to be here, to be here and vote on bills.

Mr. Speaker, the conference report on H.R. 3577 was voted on today, and unfortunately I was delayed and was a little late. I would like the record to show that I was here after the vote, and that had I been here, I would have voted for the conference report on H.R. 3577.

PERMISSION FOR COMMITTEE ON RULES TO FILE REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

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

There was no objection.

INSURED LOAN PROGRAM FOR RURAL ELECTRIFICATION ADMINISTRATION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 337 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 337

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5683) to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Act, and for other purposes, and all points of order against section 2 of said bill for failure to comply with clause 4 of rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN), pending which I yield such time as I may consume.

Mr. Speaker, House Resolution 337 provides for an open rule with 3 hours of

general debate on H.R. 5683, which is a bill to provide a lending program for rural electrification and telephone systems.

All points of order against section 2 of the bill for failure to comply with clause 4 of rule XXI of the Rules of the House of Representatives are hereby waived.

The increased capital needs of the rural electric and telephone systems of our country in the past few years along with the arbitrary termination by the Department of Agriculture of the direct lending program of the REA on December 29, 1972, has brought about the need for this legislation.

Title III of H.R. 5683 amends the existing REA Act and creates insured and guaranteed loan programs. Both of these programs will be administered by the REA. Insured loans for REA borrowers will be instituted through the creation of a "rural electrification and telephone revolving fund." The assets of this fund will come from the current assets of the REA and all loan repayments each year. Interest repayments to REA on all outstanding and future loans will remain in the fund.

The fund will be available for two types of insured loans. One at a "special rate" of 2 percent and the other at a "standard rate" of 5 percent. The special rate will be reserved for those borrowers with few subscribers or low gross revenues, but the Administrator could also make loans at his discretion in hardship cases.

The only new appropriations required under this legislation will be those moneys which are necessary to reimburse the fund for: first, losses sustained by the fund or bad loans, and second, interest rate differentials between the rates charged on loans by the fund and the cost of moneys to the fund from the private market.

Mr. Speaker, I urge adoption of House Resolution 337 in order that we may discuss and debate H.R. 5683.

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

Mr. SISK. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, would section 2 of the bill provide any funds under any circumstances for rehabilitation or reconstruction in either North or South Vietnam?

Mr. SISK. No, it would not, I feel very certain, as I understand the legislation.

Mr. GROSS. None of the funds contained in section 2, which is protected by a waiver of the rules, could be used for that purpose?

Mr. SISK. There is no possibility, I would say to my good friend from Iowa, and if there were, I would not support the legislation.

Mr. GROSS. I thank the gentleman.

Mr. SISK. I reserve the balance of my time.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from California has explained, House Resolution 337 provides for 3 hours of debate on H.R. 5683, a bill to amend the Rural Electrification Act. This legislation was

brought about and stimulated because of the actions of President Nixon late last year in discontinuing the 2-percent loan rate of the REA districts throughout the Nation.

Let us go back just a few years and explain what transpired when this legislation was first enacted in 1936. At that time the average cost of money to the Federal Government was 1.9 percent. The REA was just beginning and was in its development stages. The Congress in its wisdom in passing the original act provided for loans to be made at 2 percent, which was just a trifle higher than the average cost of money to the Government at that time. Over the years since 1936 the 2-percent money has prevailed. Then last year the Congress took action to make some changes and provide for different interest rates—2 percent, 5 percent, and also the going interest rate in the money market. As a result of that action by the Congress last year, the President eliminated the 2-percent loans, which is a direct subsidy of course to all of the REA districts throughout the Nation. This legislation has been brought about because of the President's action.

One of the most objectionable features in the bill which we have before us today is the fact that there is mandatory language in the bill which either ties the hands of the program administrator or removes from him sound and reasonable budgetary control.

The bill directs the Administrator to exhaust all moneys available in the fund. Yet it is inconceivable that under even the most generous estimates of loan need the Administrator could not possibly lend the huge sums of money which would be inviolably locked up in the fund. This is especially evident Mr. Speaker, when it is remembered that under the insured loan approach as contained in this bill, at least 10 times as much money can be lent as the amount of money that is available in the fund. That is 10 times as much. With the fund being fed at the rate of approximately \$27 million cash per month, this amounts to \$329 million per year for fiscal year 1973, and with the 10 times loan ability capacity, that would amount to \$3.3 billion per year.

The chairman of the Agriculture Committee, the gentleman from Texas, in testifying before the Committee on Rules yesterday, in reply to a question, stated that the average amount of REA loans made during the last 5 years was approximately \$425 million a year. Yet this is going to make available over \$3 billion that the Administrator could loan out.

The legislation as written in section 3 on page 8 of the bill provides and makes it mandatory that these funds be loaned by the Administrator of the program.

Another section of the bill increases the amount that the Rural Telephone Bank may loan from eight times its total assets, which is the current loan ability, to 20 times. In response to a question by me to the chairman of the Agriculture Committee, the gentleman from Texas (Mr. POAGE), as to why this was done, the reply simply was that well, 20 times

is customary in other banks of this nature. There was no really logical reason for increasing the amount of loans that can be made under the rural telephone bank provision.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Speaker, I appreciate the gentleman's discussion of the merits of the bill and the facts concerning the rural electrification program and the rural telephone bank.

I would like to ask him what this rule permits in the way of offering a substitute. Would the gentleman from Nebraska tell the House what the situation is as far as this rule is concerned, and the possibility of offering a substitute that would more nearly achieve what the administration thinks is fiscally responsible and still continue in a constructive way the REA and the rural telephone program?

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

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I will be happy to respond to the question.

Mr. NELSEN, the gentleman from Minnesota, introduced the administration bill in regard to this. The number of that bill is H.R. 5536. I made the motion in the Committee on Rules yesterday to amend the rule permitting this bill to be made in order to be offered as a substitute. We were voted down on a straight party line vote by a vote of 9 to 5, and we are not permitted as a consequence to offer that bill as a substitute today on the floor of the House and to let the Members of the House work their will.

Mr. GERALD R. FORD. Is it the understanding of the gentleman from Nebraska that unless the previous question is voted down, that the Nelsen substitute would not be germane; it would be ruled out of order and the House would be precluded from working its will on that proposal?

Mr. MARTIN of Nebraska. That is correct. A point of order could be made against the bill.

Mr. GERALD R. FORD. In other words, if we want the Nelsen substitute to be germane and not subject to a point of order, we have to vote down the previous question?

Mr. MARTIN of Nebraska. Yes, that is correct.

I would like to announce to the House that we will call for a vote on the previous question. I urge that we have a "no" vote, so that Mr. NELSEN's bill may be considered as a substitute for the committee bill.

I yield 2 minutes to the gentleman from California (Mr. TEAGUE), the ranking minority member on the Committee on Agriculture.

Mr. TEAGUE of California. Mr. Speaker, I shall discuss what I consider to be the demerits of this legislation later.

I want to plead with those Members who have been talking so long about congressional reform. I hope Ralph Nader,

Common Cause, and the League of Women Voters take some notice of the rule which came out of the Committee on Rules yesterday.

I have been a supporter of the Committee on Rules for the 18-plus years I have been here, and I am terribly disappointed in what the committee did yesterday. It was totally unfair and unjust, in my opinion. It is a half-open, half-closed rule. It waived points of order for the committee's bill and refused to do so for the bill which Mr. NELSEN, the gentleman from Minnesota, introduced, which he or someone had hoped to offer in the nature of a substitute.

This is one-sided, partisan politics, something the Committee on Rules has never engaged in before in the 18 years I have been here. To me, it is reprehensible, and I regret it very much.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I know of no one who does not want to continue a viable and effective rural electrification and telephone program. These programs came into being 40 years ago. Is there anyone in this Chamber today who knows of a program that has existed for that length of time which has not been subject to desirable change? There is, however, a very small minority which insists on maintaining the status quo.

I consider myself a reasonably good businessman, and as such I cannot support a practice simply because it was good in the 1930's. I cannot by any stretch of the imagination agree that it is good in the 1970's.

Let me briefly review my thinking. When these organizations, the rural electric and rural telephone co-ops, came into being, the interest rate of money borrowed by the Government was approximately 2 percent. Because of that, the lending rate to co-ops was established at 2 percent, and rightly so.

We are in the decades of the 1970's. It would take hours to evaluate the advances we have made in every field in this period. I can think of no industry, no profession, in which giant forward steps have not been made. Certainly our outstanding achievement in the field of technology must be in having placed 12 Americans on the moon.

In spite of all the advancements we have achieved, to me it is not only incredible but also asinine and downright stupid that some should shed crocodile tears each time a suggestion is made that across the board—and let me stress, across the board—2-percent money should not be placed in the history books and not be a reality in government.

Witness after witness appeared before the Committee on Agriculture in support of higher interest rates for those having the ability to pay. Their almost unanimous plea was this: "We need money, and we need it now, and we are not particularly concerned about the interest rate."

Let us do a bit of simple arithmetic. The two organizations we are considering today have recently been funded at

an annual rate of approximately \$700 million. At an interest rate of 2 percent the return to Uncle Sam is about \$14 million. At the more realistic interest rate of 5 percent—and this is below the average rate paid by the Government—the return would be about \$35 million. In other words, the already overworked taxpayer is picking up the tab for \$21 million which he rightfully should not be required to pay.

I realize the bill we are considering does change this to a certain extent, but in my opinion the criteria are still entirely too liberal. Is it not about time that we graduate from the decade of the 1930's and do a bit of post graduate work in the decade of the 1970's? In my opinion, that time is here.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Speaker, I do not believe that we have a Member in this body who has worked longer and harder in trying to bring about a piece of legislation to deal with the REA program than I. I have worked very closely with the gentleman from Texas (Mr. POAGE) and we have been giving and taking a bit, here and there, trying to design a vehicle that would fly, as the fellow says, and give the REA program a long-range financing plan.

I have heard from many cooperatives. I used to be the Administrator of this program. Many have come to me, including many from back home, saying that they feel they should now step up and pick up the tab, because "We are in good financial shape, have money in the bank, and we ought to pay a little bit higher rate of interest."

I have been working with the administration for the past 4 months, and I got certain commitments from them regarding generation, regarding criteria, and trying at all times to move in the direction of putting a bill together that would be signed and thereby become law.

Therefore, there has been some difference of opinion as to what should be in the bill, so far as I am concerned, because of what I can do with regard to some of the demands, that would eliminate a veto.

So I have been moving carefully, and I will offer the administration bill, with modifications in generation, that will accommodate some of the wishes of the gentleman from Texas (Mr. POAGE). I will also have in it a provision where there will be a separate account in the rural development fund, which is still in limbo.

When we get through with those amendments we are going to be so close, the gentleman from Texas (Mr. POAGE) and I, that it is almost a shame we could not recess for a minute and let the gentleman and I get into a room all by ourselves.

But now in regard to the Committee on Rules, I am reminded of a Norwegian friend of mine back home. There was a great debate in the State senate when I was a member of that body, and when the debate was finished, he turned to all

April 4, 1973

his attorney friends who had been making these great speeches and he said:

You fellows can talk, but we have got the votes.

Mr. Speaker, I did not have the votes in the Committee on Rules. We do not have a chance under the rule to offer the amendments I proposed, and I think that is too bad. At a time when everybody is screaming about open debate and when everybody says we should say something and do something about this matter, now the Committee on Rules has denied the consideration of the administration bill, because it does not make in order dealing with the rural development fund, which is part of the package that I would like to offer, at least to give the Members a chance to vote on it.

But, Mr. Speaker, I must make it very clear that the gentleman from Texas, Bob POAGE, and I have been hitched together, and when you get a Texas cowboy and a Minnesota cowmilker together, that is a combination that should be hard to beat.

But anyway I hope we can vote down the previous question and open the rule so we can consider the administration bill. I will not take their bill exactly as it is. I will have some amendments to it, because I think it should be found in order, and I am sure they will be signed.

Mr. MARTIN of Nebraska. Mr. Speaker, I have no further requests for time. I reserve the balance of my time and urge the Members to vote "no" on ordering the previous question.

Mr. SISK. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I understand there will be an attempt to vote down the previous question, and, therefore, I would like to put the issue in what I think is the proper perspective.

The Committee on Agriculture has for the last 2 months now been struggling with this problem. I think we are all aware, of course, that the administration saw fit to cancel out, under what I consider to be a rather arbitrary use of Executive power, the REA program and end it. The committee has been attempting to see what could be done to try to improve the situation or, at least, to try to restore the REA program.

Mr. Speaker, I want to commend the chairman of the committee, the gentleman from Texas (Mr. POAGE), and commend the gentleman from Minnesota (Mr. NELSEN), who just spoke, for the long and rather agonizing efforts that they have made to try to reach a reasonable compromise in connection with this program.

However, I want to say frankly that some of us are beginning to lose patience. I appreciate the fact that my good friend, the gentleman from Michigan (Mr. GERALD R. FORD), the minority leader, is back on the floor, because I noted his remarks.

Mr. Speaker, I simply want to say this: that I had always understood compromise was a two-way street, and I think that basically we have understood that. I believe that all good legislation

is the result of compromise, but I understand there had to be a little give on both sides.

Mr. Speaker, it has come down to a point where, in my opinion, the administration has got its feet set in concrete. I have great respect for the gentleman from Minnesota (Mr. NELSEN), as I say, for the work he has done and for the efforts that he has made, but I think there comes a point in time where, if there is in fact going to be any compromise, then for gosh sakes, let us recognize that both sides have to give a little bit.

As far as I am concerned, I think what the committee has done and the Members have done, both Democrats and Republicans, because the vote was overwhelming, as you know, for reporting this bill to the floor, went a long ways and gave a great deal. However, I think there comes a point in time when some of us feel you have to call a halt if we are going to continue to have a program.

As far as I am concerned, if they do not want this compromise we have brought here, I hope that we can get an opportunity simply to vote on the Senate bill that goes back to the original Denholm bill. Maybe that is what we should have come out with. If all you want is an issue, sure the President will veto it, but if all you want is an issue, then I think we should go back to the Senate bill and pass it and send it to the White House.

Apparently the administration has developed an attitude that they will either have their way, period, or there will be no program.

Mr. TEAGUE of California. Will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. TEAGUE of California. I will not attempt at this time, because time is growing short on the rule, to elaborate on this, but I know Mr. NELSEN is prepared to cite many concessions offered and made by the administration when we come to time of debate on the bill.

Mr. SISK. Well, as my colleague knows—and I have great respect for him, because he and I came to the Congress together and worked together for many years here—I respect him, but I think he will agree with me that what we are doing is quibbling over semantics in connection with the so-called difference that exists.

I understand in connection with one question, possibly the gentleman from Minnesota will amend that part out. I appreciate the compromising attitude of the gentleman from Minnesota. I have already paid tribute to him for what he has done, but it does not relieve my feelings one wit over what I think is arbitrary and rather bullheaded positions of some people down at the other end of the avenue. That is what I am talking about.

Let me say that the Committee on Rules is charged with being capricious and taking reprehensible action here. We have acted in the same way on other bills. We have an open rule here, and any amendment that is germane to this bill will be available to be offered on the floor of the House. As far as I know, every change that the gentleman from Min-

nesota or my friend from California desire to make can be offered as an individual amendment and will not be subject to a point of order, with one possible exception. I understand that has to do with the use of the redevelopment fund.

Very frankly, some of us feel strongly about it. We are dealing here with an REA program, and I think we should put the matter in proper perspective.

As far as the committee has gone in this respect, we have done here what we have done in many cases in bringing a bill here under a completely open rule that gives the committee and the House the opportunity to work its will.

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

The SPEAKER. The question is on ordering the previous question.

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

Mr. GERALD R. FORD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 244, nays 170, not voting 19, as follows:

[Roll No. 71]		
YEAS—244		
Abdnor	de la Garza	Holtzman
Abzug	Delaney	Howard
Adams	Dellums	Hungate
Addabbo	Denholm	Ichord
Alexander	Dent	Johnson, Calif.
Anderson,	Diggs	Johnson, Colo.
Calif.	Dingell	Jones, Ala.
Andrews, N.C.	Donohue	Jones, N.C.
N. Dak.	Dorn	Jones, Okla.
Annunzio	Downing	Jones, Tena.
Armstrong	Drinan	Jordan
Ashley	Dulski	Karth
Aspin	Eckhardt	Kastenmeier
Barrett	Edwards, Calif.	Kazan
Bergland	Ellberg	Kluczynski
Bevill	Evans, Colo.	Koch
Biaggi	Evins, Tenn.	Kyros
Bingham	Fascell	Landrum
Blatnik	Fisher	Lehman
Boggs	Flood	Litton
Boiland	Flowers	Long, La.
Boiling	Flynt	Long, Md.
Bowen	Foley	Lujan
Brademas	William D. Ford,	McCormack
Brasco	Fountain	McDade
Breaux	Fraser	McFall
Breckinridge	Fulton	McKay
Brinkley	Fuqua	Macdonald
Brooks	Gaydos	Madden
Brotzman	Gettys	Mahon
Brown, Calif.	Gibbons	Mathis, Ga.
Burke, Calif.	Ginn	Matsumaga
Burke, Fla.	Gonzalez	Meeds
Burleson, Tex.	Grasso	Melcher
Burlison, Mo.	Gray	Metcalfe
Burton	Green, Oreg.	Mezvinsky
Casey, N.Y.	Green, Pa.	Millford
Carney, Ohio	Griffiths	Miller
Carter	Gunter	Mills, Ark.
Casey, Tex.	Hamilton	Minish
Chamberlain	Hanley	Mink
Chappell	Hanna	Mitchell, Md.
Chisholm	Hansen, Wash.	Moakley
Clark	Harrington	Mollohan
Clay	Harsha	Montgomery
Conyers	Hawkins	Moorhead, Pa.
Corman	Hays	Morgan
Cotter	Hebert	Moss
Culver	Hechler, W. Va.	Murphy, III.
Daniel, Dan	Heckler, Mass.	Murphy, N.Y.
Daniels,	Helstoski	Natcher
Dominick V.	Henderson	Nedzi
Danielson	Hicks	Nichols
Davis, Ga.	Hogan	Nix
Davis, S.C.	Hollifield	Obey

O'Hara	Roy	Thone
Owens	Royal	Thornton
Passman	Runnels	Tiernan
Fatman	Ruppe	Udall
Patten	St. Germain	Ullman
Pepper	Sarbanes	Van Deerlin
Perkins	Scherie	Vander Jagt
Pickle	Schroeder	Vanik
Pike	Seiberling	Vigorito
Poage	Shuster	Waggoner
Podell	Sisk	Waldie
Freyer	Skubitz	Wampler
Price, Ill.	Slack	White
Randall	Smith, Iowa	Whitten
Rangel	Stanton,	Wilson
Rarick	James V.	Charles H.
Rees	Stark	Calif.
Reuss	Steed	Wilson, Charles, Tex.
Eriege	Stephens	Wolff
Roberts	Stokes	Wright
Rodino	Stratton	Wyatt
Roe	Stubblefield	Yates
Roncalio, Wyo.	Stuckey	Yatron
Rooney, Pa.	Studds	Young, Ga.
Rose	Sullivan	Young, Tex.
Rosenthal	Symington	Zablocki
Rostenkowski	Thompson, N.J.	Zwach
Roush	Thompson, Wis.	

NAYS—170

Archer	Giaimo	Pettis
Arends	Gilman	Peyser
Ashbrook	Goodling	Powell, Ohio
Bafalis	Gross	Pritchard
Baker	Grover	Quie
Beard	Gubser	Quillen
Bell	Guyer	Regula
Bennett	Haley	Rhodes
Biester	Hammer-	Rinaldo
Blackburn	schmidt	Robinson, Va.
Bray	Hanrahan	Robinson, N.Y.
Broomfield	Hansen, Idaho	Rogers
Brown, Mich.	Hastings	Roncalio, N.Y.
Brown, Ohio	Heinz	Rousselet
Broyhill, N.C.	Hillis	Ruth
Broyhill, Va.	Hinshaw	Sandman
Buchanan	Holt	Sarasin
Burgener	Horton	Satterfield
Butler	Hosmer	Saylor
Byron	Huber	Schneebeli
Camp	Hudnut	Sebelius
Cederberg	Hunt	Shoup
Clancy	Hutchinson	Shriver
Clausen,	Jarmar	Smith, N.Y.
Don H.	Johnson, Pa.	Snyder
Clawson, Del.	Keating	Spence
Cleveland	Kemp	Stanton
Cochran	Ketchum	J. William
Cohen	Kuykendall	Steele
Collier	Landgrebe	Steelman
Collins	Latta	Steiger, Ariz.
Conable	Leggett	Steiger, Wis.
Conlan	Lent	Symms
Conte	Lott	Talcott
Coughlin	McClory	Taylor, Mo.
Crane	McCluskey	Taylor, N.C.
Cronin	McCollister	Teague, Calif.
Daniel, Robert W., Jr.	McKinney	Towell, Nev.
Davis, Wis.	Madigan	Treen
Dellenback	Mailliard	Veysey
Dennis	Mallary	Walsh
Derwinski	Mann	Ware
Devine	Maraziti	Whalen
Dickinson	Martin, Nebr.	Whitehurst
Duncan	Mathias, Calif.	Widnall
du Pont	Mayne	Wiggins
Edwards, Ala.	Mazzoli	Williams
Erlenborn	Michel	Wilson, Bob
Esch	Mills, Md.	Winn
Eshleman	Minshall, Ohio	Wydler
Findley	Mitchell, N.Y.	Wylie
Fish	Mizell	Wyman
Ford, Gerald R.	Moorhead,	Young, Alaska
Forsythe	Calif.	Young, Fla.
Frelinghuysen	Mosher	Young, Ill.
Frenzel	Myers	Young, S.C.
Frey	Nelsen	Zion
Froehlich	O'Brien	
	Parris	

NOT VOTING—19

Anderson, Ill.	McEwen	Ryan
Badillo	Martin, N.C.	Shipley
Burke, Mass.	O'Neill	Sikes
Goldwater	Price, Tex.	Staggers
Gude	Railsback	Teague, Tex.
Harvey	Reid	
King	Rooney, N.Y.	

So the previous question was ordered.

The Clerk announced the following pairs:

Mr. Teague of Texas with Mr. Anderson of Illinois.

Mr. Staggers with Mr. Gude.
Mr. Rooney of New York with Mr. Goldwater.
Mr. Burke of Massachusetts with Mr. King.
Mr. Badillo with Mr. Ryan.
Mr. Reid with Mr. Price of Texas.
Mr. Shipley with Mr. Railsback.
Mr. Sikes with Mr. Martin of North Carolina.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute.)

Mr. BURKE of Massachusetts. Mr. Speaker, this afternoon, on rollcall No. 71, I was inadvertently detained over at the Rayburn House Office Building where I was attending a meeting of the Council of Churches. I left the meeting in time to vote, but I got on one of those recalcitrant elevators that just would not let me out the door. This kind of spoils my 100-percent attendance record for several years, but this does not bother me too much, because when I was a little boy the most unpopular boy in the neighborhood had a 100-percent attendance in school and, if I recall correctly, he usually was not the brightest one in the class.

Mr. Speaker, I ask unanimous consent that this statement be printed in the Record immediately following rollcall No. 71.

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

There was no objection.

INSURED LOAN PROGRAM FOR RURAL ELECTRIFICATION ADMINISTRATION

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5683) to amend the Rural Electrification Act of 1936, as amended, to establish a rural electrification and telephone revolving fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, 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 consideration of the bill, H.R. 5683, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 1½ hours, and the gen-

tleman from California (Mr. TEAGUE) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Texas (Mr. POAGE).

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

Mr. Chairman, the legislation before us today is a bill to amend the Rural Electrification Act which was necessitated by the present credit dilemma in which REA borrowers now find themselves.

As many of us know, the direct REA loan program was one of those singled out by the President for termination and transfer to the Farmers Home Administration. This very questionable and deplorable exercise of Executive power took the form of a simple two-page press release issued by the Department of Agriculture on December 29, 1972, and was effective on January 1, 1973, without prior consultation with the Congress. I read about it in my hometown newspaper during adjournment, as I am sure many of the Members did.

Almost immediately after the 93d Congress convened, the Senate Agriculture Committee began hearings on this and other affected farm programs. Shortly thereafter, a bipartisan majority of the Senators, under the leadership of Senators HUMPHREY and AIKEN, introduced legislation to reinstate the program. That bill, S. 394, passed the other body on February 21 by a vote of 69 to 20. Similar legislation was offered in the House, H.R. 2276, by Mr. DENHOLM of our committee and over 100 cosponsors. Our committee held 3 days of public hearings initially on the original Denholm bill. During that time it became apparent to many of us on the committee that the more appropriate legislative course might be to pursue compromise legislation designed to meet the critical policy objections of the administration to this program and at the same time provide a permanent and workable solution for the REA borrowers' continuing needs.

Our colleague, Mr. NELSEN, sought to be helpful and arranged a number of meetings with representatives of the administration, and substantial concessions were made, most of which were to the administration and without, I might add, reaching our goal of obtaining their support, although they have not formally rejected the legislation before us.

Our committee held an additional 2 days of hearings specifically on the so-called compromise proposal and then reported the bill by an overwhelming bipartisan vote of 29 to 6 on March 20.

I believe that this bill represents a good solution to this very critical problem. It effects substantial savings to both the President's budget and to the Treasury and yet provides a continuing credit vehicle to the rural electrification and telephone borrowers of our country.

The bill will cost the Treasury only \$816 million for a 5-year period, but it will save the Treasury \$2.8 billion for the same period. This will be accomplished through the creation of a revolving fund within the REA consisting primarily of interest on outstanding loan repayments and moneys from the private market

through the sale of insured loans. Principal repayments on previous REA loans would flow through the fund back into the Treasury.

The fund would make loans to the REA borrowers as before, but they would now be in the form of "insured" loans, similar to those now made by the Farmer's Loan Administration, and the great bulk would be at interest rates 3 percent higher than they are today.

Two interest rates are authorized under this bill; one at the standard rate of 5 percent and the other at 2 percent, but the lower rate would be available only to a limited number of borrowers who must have this kind of credit to provide a quality service at reasonable rates to their customers.

In addition, a guaranteed loan program is authorized for those systems that can pay the higher going rates of interest.

This bill will reduce the annual budget by approximately $\frac{3}{4}$ of a billion dollars as compared with the amount budgeted this year, just as the administration has asked. It increases the interest rate to most borrowers, just as the administration has asked. It does not utilize the fiscal year 1973 impounded funds in the amount of \$456 million, and it gives the administration exactly what it asks in these aspects.

It does not use the rural development fund as the administration suggested, but establishes a completely separate fund. I suggested to those who wanted to establish a special account within the rural development fund that they write the language to do this, because I wanted to see if it could be done without jeopardizing one or the other of these agencies. I pointed out that I was unable to write it without jeopardizing either the rural development or the rural electrification, and I want to keep them both, as I believe Members do. We were told that there was no problem in writing such language, but so far as I know no one has ever done so up until this good moment. I continue to believe that the Congress should have complete control of this program, which can be assured only under this new fund in REA.

This bill does contain mandatory provisions requiring the Administrator to make available for loans to qualified borrowers such amounts as the Congress may provide. It does not require or authorize any loans to associations which do not qualify or for any unauthorized purposes.

In other words, this bill does not require the expenditure of any unneeded money, but it does make it impossible for us to have a repetition of the kind of arbitrary cancellation of a program as was the case when the existing program was canceled so recently.

Mr. ALBERT. Mr. Chairman, would the gentleman mind being interrupted at this moment?

Mr. POAGE. I will be glad to yield to our distinguished Speaker (Mr. ALBERT).

Mr. ALBERT. Mr. Chairman, first of all, commenting on what the gentleman from Texas (Mr. POAGE) has just said, may I congratulate the gentleman on the leadership he has shown in this mat-

ter. The gentleman needs no defense as far as his support of the rural electrification program is concerned. I was on the committee with him when he was the author of the rural telephone bill. He was here when the REA program started, and he supported it through the years, and when the gentleman began to realize that the time had come to modernize this program and to recognize that the coops were not in need of subsidies—some of them were not, at least, many or most of them—were not in need of the subsidies they had in the past, he recognized that fact, even though many coops preferred to keep the old program.

Mr. Chairman, he had before his committee a bill which I would have supported, because I want to keep the rural electrification program. A similar bill came over from the other body, but the gentleman, with the help of the gentleman from Minnesota, and his committee have worked out something that I think the rural electrification co-op movement across the country has agreed to, and I think we owe his committee a debt of gratitude, and the House should go down the line supporting it. Certainly I intend to.

Mr. Chairman, I have listened to what the gentleman has been saying, and I have seen distributed a 13-page pamphlet or memorandum which contains views that I do not understand. I do not think they are honest views; I think they are deliberately distorted views of what this bill intends to do.

On page 13 of that memorandum we read this statement:

More importantly, the Administration vigorously objects to the mandate contained in the bill to loan all money available to the fund each year. Under an insured loan approach, at least 10 times the available money can be loaned, and since the amount of interest and principal repayments from past loans will be \$330 million in 1973, the bill would force total loan outlays of over \$3 billion in one year—over 5 times the level of loans made in FY 72. Since the 5 percent interest rate is still a subsidy, in that the long-term Treasury rate is presently over 6 percent, and because some 2 percent loans will still be permitted, the government would be losing at least \$40 million a year on REA in interest alone with this level of loans.

Mr. Chairman, I have before me a copy of the bill which the gentleman has presented, and it is clearly evident that this memorandum of views, purportedly of the administration—I do not know whose views they are—but I have here a copy of the bill, and I notice a complete absence of the most important qualification on the very issue which this memorandum is discussing, in which we find this language, quoting from the bill:

Subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by Congress.

It does not say, "have to be made." It says,

Imposed by the Congress of the United States for loans to be made in any one year, which amounts shall be made available until expended.

Now, Mr. Chairman, the gentleman knows and I know that the Congress is not going to authorize outrageous outlays five times in excess of the level for the

fiscal year 1972 or any preceding year thereafter.

This is propaganda; it is false propaganda, and the Members of the House should not be deceived.

Mr. POAGE. Mr. Chairman, I greatly appreciate the comments of the Speaker (Mr. ALBERT) and I think they are very well taken.

Somebody has either felt that I was completely illiterate or they felt they could not change my views, because I have not been served with a copy of that publication to which the Speaker refers. I have not seen it. But this bill before us specifically provides that loans can be made only on the same terms they are being made today, which is to those associations serving areas that need service.

We have all of those limitations in this bill, just as we have them in the law at the present time. If the Congress wanted to appropriate \$2.5 billion this year, they could do it. However, we provide that the REA cannot guarantee or insure any of these loans except to the amount that the Congress authorizes each year. It is the same as we have today.

You have an overall limit today set by the Committee on Appropriations and approved by the Congress, and you still have the same kind of limitation on the total amount that can be made available for loans. We simply say that the Administrator cannot on some dark night come in and file some sort of statement that he is no longer going to make any loans, but we provide that he has to live within the limits fixed by the Congress.

It seems to me to be quite reasonable and it seems to me to be what we should do. I know it was suggested that the Administrator could do a better job if he had a larger degree of discretion. I recognize that. We sought to get an agreement from the administration that we would fix the amount of 2 percent loans within a range and that the Administrator might make loans within that range. We actually talked of \$80 million to \$120 million and let the Administrator determine to whom the loans would go, but no, the administration said "no" to that; they did not want that kind of discretion.

What they wanted was discretion to wipe out the program. That is the discretion we will not give; that is the discretion, my friends, and it is really the whole crux of the problem here.

ANCHER NELSEN and I basically agree on 90 percent of it, but I am not going to come in here and ask you to rewrite a bill that will give the Administrator the same opportunity to doublecross the people of America that he exercised on the 29th day of last December. We are not about to do it. We are going to say, "Mr. Administrator, you are going to carry out this program. We will try to make it as fair as possible and give as much leeway as we can, but we will not say, 'You, Mr. Administrator, rather than the Congress are to determine what the programs of this Government shall be.'"

That is really the whole crux of it, and it is the difference between what this bill says and what we will be asked to vote for in the way of various amendments. They are going to come and try to cut down and say that the Adminis-

trator can again wipe out a program. Of course, if you do not believe in having light out on the creek, I want you to vote for those amendments. If you do not want to continue a loan program that will keep the lights on in your section of the country, go ahead and vote for the amendments, because that is what they intend to do.

Of course, I know the Administrator could do a better job if he had more leeway, but, unfortunately, when the discretion we gave has been ruthlessly abused, as it has been in the last few months, we are not going to put ourselves in the position of having it abused again.

When I asked the Secretary of Agriculture before our committee what was his authority for abandoning the existing REA program, what did he say? Some of you fellows who are on that committee heard him. What did he say? He said:

The law does not require me to make loans; it only authorizes me to make loans.

Now, that is what he told us, that he was only "authorized" to make loans, but now we are going to say, "Mr. Administrator, if this loan meets the requirements of the law then you make it within the amount that the Congress says you may use." That is the crux of this whole thing.

I do not know whether the President will sign this bill or not—he does not usually tell me what he will do. I would like to feel that the President would sign it because it gives him exactly the big things that he seeks. Now, if he wants us to use a circle rather than a dot over an "i", I am not interested in accepting such dictation.

This bill gives him all of the big things that he seeks. To demand more is simply to demonstrate power. I am not interested in helping him put on this exhibition. This bill does raise the interest rate. Just like the President asked.

It adds tremendously to the income of the U.S. Treasury. Just like the President asked. It does take these loans out of the budget. Just like the President asked. It makes the loans private loans rather than Government loans. Those are the things he says are important. We give them to him.

Now, we are not going to be told that we have to cross this "T" from this direction instead of from that direction. But if the President simply wants the big things that he says he wants, then we stand ready to give them to him.

This does involve a compromise where the administration has received practically everything that they ask for. Actually, I do not recall one important thing now that the administration gave in the way of a compromise.

The REA program has traditionally been a program for people, Mr. Chairman, and it will continue so to be under our proposed legislation.

Our committee simply could not sit idly by and watch a great program like this be ruined, a program which has served our rural areas so well, and see it go down the drain, so we are proposing a bill to save it. We hope that the Members of this House will join us in saving

the program rather than in trying to put some limiting provision on it.

The CHAIRMAN. The gentleman from Texas has consumed 21 minutes.

The Chair recognizes the gentleman from California (Mr. TEAGUE).

Mr. DENHOLM. Mr. Chairman, the legislation before the House should be approved without amendment for all of the reasons stated by our colleague, Mr. POAGE, the distinguished chairman of the Committee on Agriculture.

Now, at the outset I introduced legislation to mandate the full administration of the Rural Electrification Act of 1936, as amended, because the Secretary of the U.S. Department of Agriculture announced by a news release to the public media on the 29th of December, 1972, that the REA 2 percent loan program was terminated.

The legislation that I first introduced had more than 100 Members of this legislative body as cosponsors (H.R. 2276).

Prior to the commencement of hearings on H.R. 2276, our chairman and our colleague, Mr. ANCHER NELSEN of Minnesota, initiated conferences with officials of the administration in an effort to reconcile apparent differences between the administration and a continuation of present law as compelled by language of H.R. 2276.

Now, admittedly the language of the legislation that I first introduced (H.R. 2276) compelled a continuation of the existing law enacted first by the Congress in 1936, and subsequent amendments thereto. There was nothing new in H.R. 2276, except language that "directed" the administrator to execute the statutory law enacted by the Congress and faithfully executed by six Presidents for the last 37 years. The Nixon administration by a news release sought to terminate that public law as of December 31, 1972. The remaining \$367 million appropriated by the 92d Congress for fiscal year 1973 was impounded and pending loan applications of many borrowers including approved loans for projects in progress have been continuously denied since the 29th day of December, 1972.

The administration refused and still refuses to execute in good faith the intent of the existing law with more than 36 years of established precedent. In hearings before our committee the Honorable Earl L. Butz, Secretary of Agriculture, freely admitted that he was authorized to execute the law and that he had ample appropriations to administer the act within the spirit of the law. However, by policy of the administration the Secretary refused and still refuses to execute in good faith the intent and purpose of the Rural Electrification Act of 1936, as amended.

The Secretary of Agriculture appeared before a joint session of the House Committee on Agriculture and the House Committee on Appropriations. The Secretary suggested no constructive alternative in a gesture of conciliation and there has not been an effort to perform the provisions of the Rural Electrification Act of 1936, as amended, since that time. Hours, days, weeks, and months have passed—and the existing public law is still ignored.

In the course of hearings on H.R. 2276, the pending legislation before us today was developed (H.R. 5683). Our colleagues, Mr. POAGE and Mr. NELSEN labored at length and sought many conferences with the officials of the administration in every honest effort of compromise.

Now, if the REA systems program can be perceived of value equal to one yardstick—my original legislation was at 36 and the position of the administration is at 0 of such a rule of measure. The Poage-Nelsen proposal came in at 18 on the yardstick of value as a rule of hypothetical measure. Our committee hearings were extended and conferences continued. All were granted ample opportunity to be heard but slight differences prevailed over patience and tolerance of the full committee. I subsequently introduced the best of compromise and the full committee reported 29-6 the legislation now before the Congress (H.R. 5683).

Mr. Chairman, this is a matter of substantial merit and it is legislation worthy of your favorable consideration. It substantially meets all of the objections of the administration without embarrassment to the President for arbitrary policy decisions contrary to the original intent and purpose of existing law.

The provisions of H.R. 5683 permit the administration to accomplish policy objectives as follows to wit:

The impoundment of \$367 million of appropriated funds.

Termination of a direct 2 percent loan program.

The total removal of the future funding from the budget accounting procedures of the Federal Government, and

It assures the continuation of an ample supply of loan funds to borrowers without annual interest subsidy payments from the U.S. Treasury.

I concur with the gentleman from Texas (Mr. POAGE) and the distinguished gentleman from Oklahoma, the Speaker, Mr. ALBERT—this is meritorious legislation that must be enacted. The officials of the National Rural Electric Cooperative Association have conceded much in an effort to compromise in mutual satisfaction for the benefit of all. They began at point 18 on the hypothetical yardstick of measure and conceded on that rule of measure to 17, to 16, to 15, and to 14—but they cannot concede more. The borrowers must have a program and they need it now. They have been cooperative, diligent, reasonable and willing throughout our efforts to achieve a common objective. They cannot do more. They accept this legislation—knowing that it is not perfect. I shall not ask more of them for it is their business, their investments, their labors, their properties, and their futures that ultimately shall fail or prevail.

Mr. Chairman, this Nation is at the threshold of an energy crisis. The failure to act is unacceptable. The action of the administration is intolerable. We must move forward together in an effort to do what is right for our country. I urge each of you to do what is right. I ask no more of you and the people of America expect no less.

Mr. TEAGUE of California. Mr. Chair-

man, I rise in opposition to H.R. 5683, the REA bill before the House today.

At the outset, I wish to commend the committee's effort and the efforts of our distinguished and able colleague from Minnesota (Mr. NELSEN) to reach a compromise on this bill, but I must point out to you that a true compromise exists only when all the parties concerned share that attitude.

This REA bill in its present form is not a compromise as far as I am concerned. And I think I am speaking accurately for the administration when I say it is not a compromise as far as our friends on the other end of Pennsylvania Avenue are concerned.

In brief, there have been many sincere attempts to reach a compromise but as of this date none has come to fruition.

Having said that, let me point out briefly the key provisions that are still very much in dispute and then express my keen disappointment that the Rules Committee has acted to preclude us from considering the modifications to this bill which could cure it of the handicap of administration disfavor.

The single most disabling provision in this bill is its repeated reference to mandatory spending and compulsory administrative action.

For example, section 305(a) would reverse the broad discretion the Rural Electrification Act now confers upon the REA Administrator by directing him to make loans and at specified interest rates to the full extent of the assets available in the new fund which the bill would create. The exact language reads as follows:

"SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.—(a) The Administrator is authorized and directed to make insured loans under this title and at the interest rates hereinafter provided to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by the Congress of the United States for loans to be made in any one year, which amounts shall remain available until expended: *Provided*, That any such loans and advances shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

Thus it is clear that the bill directs the Administrator to exhaust all moneys available in the fund. Yet it is inconceivable under even the most generous estimates of loan need that the Administrator could ever possibly lend the huge sums of money that would be involuntarily locked up in the fund. This is especially evident when it is remembered that under the insured loan approach at least 10 times as such money can be lent as the amount of cash available in the fund. With the fund being fed at the rate of approximately \$27 million cash per month—the estimated collections for fiscal year 1973 are \$329.5 million—the Administrator would have a mandate to loan at least \$270 million each month—or almost \$3.3 billion each year. With repayments totaling some \$2.2 billion during the current and next 5 fiscal years, it seems fantastic to envision a loan program of \$22 billion.

The administration contends, and I certainly agree, that the provision which purports to grant congressional control over these huge sums simply is not practical. Obviously, Congress could not constitutionally set these limits by itself. Of course, Congress will be in session and a future Congress is not bound by a prior one, but the practicality of periodical statutory changes seems most questionable.

It has been argued, that the fund need not retain the principal on outstanding loans. I would only point out that the bill makes the assets of the fund available only for principal repayments—it does not require that principal be repaid to the U.S. Treasury. Thus, the fund could easily build itself up to the enormous size I have described.

The bill also continues a 2-percent loan program on a very liberal basis. The special 2-percent interest rate is made mandatory by section 305(a) for classes of borrowers that are stated in the disjunctive—that is, by using the word "or" rather than the word "and." According to USDA, this series of criteria would result in a mandatory 2-percent loan program in excess of \$90 million per year for electric distribution and telephone borrowers alone. I believe the American people, most of whom are paying 6, 7, and 8 percent or more, can rightfully ask: "How long do we need to continue a subsidized 2-percent loan program to borrowers who could jolly well afford to pay much more?"

In addition, this bill creates still another backdoor spending revolving fund, has an adverse impact on the budget, and embraces a whole series of amendments to the rural telephone bank that move it further toward becoming a governmental lending institution. All of these disabilities certainly commend this bill for either rejection by the House or disapproval by the President.

I know the administration proposal was not acceptable to the Agriculture Committee. It was in fact rejected 23 to 12, but it seems to me that simple equity demands that it at least have a chance to be considered—after all, the rule on this bill waives points of order against the committee bill; why then could not the same be done for the administration-backed language?

In summary, Mr. Chairman, I urge the rejection of this bill.

It is being considered in a parliamentary manner that prevents the consideration of the administration alternative and it contains so many disabilities that 3 months of debate would be an insufficient time to try to cure it, much less the 3 hours of narrow debate permitted today.

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

The CHAIRMAN. The Chair will count. Sixty-seven Members are present, not a quorum. The call will be taken by electronic device.

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

Addabbo Harvey Pettis
Anderson, III. Hastings Price, Tex.

Ashley	Hébert	Railsback
Badillo	Henderson	Rees
Broyhill, Va.	Horton	Reid
Carey, N.Y.	Jones, Okla.	Rooney, N.Y.
Carney, Ohio	Karth	Shipley
Clark	King	Shoup
Conable	Kluczynski	Staggers
Dickinson	McCloskey	Stephens
Diggs	McEwen	Symington
Dingell	Melcher	Teague, Tex.
Flowers	Mitchell, Md.	Wiggins
Foley	Moorhead, Pa.	Wilson, Bob
Gettys	Murphy, N.Y.	Wilson
Gialmo	O'Neill	Charles H., Calif.
Grover	Passman	Young, Ill.
Hansen, Wash.	Patman	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 5683, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 381 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from California (Mr. TEAGUE) is recognized.

Mr. WYLIE. Mr. Chairman, will the gentleman yield for a question?

Mr. TEAGUE of California. Yes, I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, will the gentleman indicate what the percentage of the Nation's farms is which are now electrified and subsidized through the REA?

Mr. TEAGUE of California. Mr. Chairman, I will state to my colleague, the gentleman from Ohio (Mr. WYLIE), that I do not have those figures. The gentleman from Minnesota (Mr. NELSEN), I am sure, who is a former REA administrator, is much more qualified on the technical aspects of this whole matter, and he is better able to answer questions of that nature than I am. I will yield time to the gentleman from Minnesota (Mr. NELSEN) after the next Democratic speaker has been recognized.

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

Mr. TEAGUE of California. I will yield to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I am trying to reconcile what the gentleman has had to say with what the Speaker had to say earlier with respect to the lending levels under this legislation we have before us.

Mr. TEAGUE of California. Well, I will refer the gentleman to section 305 of the bill. It seems very clear to me that, with all due respect to and for the Speaker, he has been given some misinformation or has drawn the wrong conclusions.

If the gentleman will look at section 305, it seems very clear to me that this is mandatory spending in the clearest sense of the word.

Mr. WYDLER. Mr. Chairman, I agree with the gentleman. As a matter of fact, the language is such that it amounts to the fact that the Administrator is directed to spend the full extent of the assets available in the fund. That is as clear as clear could be, that he has ab-

solutely no discretion, and the only limitation on that spending is some limitation that the Congress may apply.

So, Mr. Chairman, unless the Congress affirmatively sets some limitation on this spending, the Administrator would be forced to spend the full and entire amount.

Mr. TEAGUE of California. Mr. Chairman, in my opinion the gentleman is exactly correct, and I thank the gentleman for once more pointing out this major flaw in this proposed legislation.

Mr. WYDLER. Mr. Chairman, will the gentleman yield further to me?

Mr. TEAGUE of California. I yield to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, may I ask the gentleman, what form it would take for the Congress to limit the amount of spending? How would the Congress act to limit the amount of spending? Would there have to be a bill passed by the House and Senate and signed by the President?

Mr. TEAGUE of California. I am sure it would. Congress could not do it by itself. It would have to be a bill either from the Committee on Agriculture or the Committee on Appropriations and be signed by the President. The Constitution would require action by both branches of the Government.

Mr. WYDLER. The Speaker, as I remember his remarks, tried to make it sound as though it was obvious to all of us that Congress would never allow the full amount to be expended because it was such a ridiculous amount and so large in nature. I notice when I read the bill there is no attempt to limit that amount at all. I wonder, if it is so obvious that we should limit it, why an attempt to limit the amount available under this bill was not made in the legislation before us.

Mr. TEAGUE of California. It is another reason for opposing the bill.

Mr. SHUSTER. Mr. Chairman, I rise to speak in behalf of H.R. 5683, which I find to be an eminently fair bill to all interests, and one of which the distinguished members who produced it can be justly proud. We have in this situation a conflict between two legitimate and worthy concerns: On the one hand, we have the desire to reestablish fiscal responsibility, to cut Federal spending to reasonable limits thus damping the fires of inflation.

But, on the other hand, we have the equally legitimate claims of rural America. One does not have to be an economist to realize that delivering electricity to an area where the population is more spread out is going to be much less profitable than delivering it to a densely populated area. And a spread out population is precisely what makes an area rural.

I bring up this point to highlight the speciousness of the oft-quoted argument that REA has outlived its usefulness because 98 percent of farms are electrified and that 80 percent of REA's customers

are nonfarmers. This is not germaine. The word "farmer" does not even appear in the act. The act was not intended to bring electric power just to farmers; but rather to rural areas.

I have also heard the argument that the rural electric cooperatives no longer need the low-cost money, that they are rich, and fat, and prosperous. In some cases, this is true. But I also took the trouble of looking at the financial statements of quite a number of co-ops, and I can report to this House that there are co-ops that very much need this program. I can understand that, too. When you are providing electric service in an area where you have only four customers per mile of line, there is no question that you are going to make less money than in an area where you have 20 customers per mile. Thus, the program is still needed.

I believe that H.R. 5683 represents an excellent compromise of this conflict. For the sake of fiscal responsibility, supporters of the program have given up the direct loan program and accepted a program of insured and guaranteed loans. For an estimated 80 percent of the co-ops, their loan interest rate will be raised to 5 percent from the former 2 percent, and that is a sacrifice. I believe the targeting of the 2-percent loans on the about 20 percent of the co-ops that truly can be classified as needy is a superior example of fiscal responsibility.

Mr. Chairman, I believe that H.R. 5683 not only is fiscally responsible but also points the way by example toward overall fiscal responsibility. If we can achieve the same kind of compromises, the same kind of precision targeting, the same kind of efficiency in getting the most value for our Federal dollar in the other Federal programs that we will be considering, we will achieve the fiscal responsibility and budgetary leanness that both the President and, I am sure, this Congress urgently desire. For these reasons, Mr. Chairman, I urge the passage of H.R. 5683.

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

The CHAIRMAN. The Chair will count.

Eighty Members are present, not a quorum. The call will be taken by electronic device.

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

[Roll No. 73]

Alexander	Harvey	Rooney, N.Y.
Anderson, III.	Hastings	Ruth
Archer	Holtzman	Schneebell
Badillo	Horton	Shipley
Barrett	Kemp	Sisk
Bolling	King	Staggers
Carey, N.Y.	Kluczynski	Steed
Carney, Ohio	Landrum	Steiger, Ariz.
Clark	McKay	Stephens
Conyers	Melcher	Symington
Diggs	Michel	Talcott
Dingell	Millis, Ark.	Teague, Tex.
Erlenborn	Mosher	Thompson, N.J.
Foley	Moss	Tierman
Fountain	O'Neill	Ullman
Fuqua	Patman	Vander Jagt
Gettys	Pike	Wilson, Bob
Giaimo	Price, Tex.	Wilson, Charles H.
Gray	Rallsback	Calif.
Hanna	Rees	Wilson, Charles, Tex.
Hansen, Wash.	Reid	
Harsha	Roncallo, N.Y.	

Accordingly the Committee rose; and the Speaker having resumed the chair. Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 5683, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 370 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I rise in support of H.R. 5683 but I have a question or two I would like to bring to the attention of the chairman to see if I may obtain an answer.

On page 10, line 14 of the bill it is provided:

Loans made under this section shall be insured by the Administrator when purchased by a lender.

My question is: Who is eligible to be that lender?

Mr. POAGE. Anybody who will put up the money and risk the money on those notes which are to be guaranteed by the United States, anybody who wants to can be that lender.

Mr. JONES of Tennessee. In other words, any private lender would be eligible?

Mr. POAGE. Yes. It applies to any lender.

Mr. JONES of Tennessee. I thank the chairman.

Then on line 20 on page 10, under section 306, the bill reads:

The Administrator may provide financial assistance to borrowers for purposes provided in the Rural Electrification Act of 1936, as amended, by guaranteeing loans, in the full amount thereof, made by the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation, and any other legally organized lending agency. . . .

My question is: Does this mean that local commercial banks would be eligible to make such guaranteed loans?

Mr. POAGE. Yes, it certainly does.

Mr. JONES of Tennessee. Or banks for cooperatives, or insurance companies?

Mr. POAGE. Yes, I see no reason in the world why those are not also eligible.

Mr. JONES of Tennessee. My last question, Mr. Chairman, is: Are such lenders eligible to benefit from the accommodation or subordination of the mortgage that is mentioned?

Mr. POAGE. Yes, I think the answer is yes there, too.

Mr. JONES of Tennessee. I thank the chairman.

Mr. TEAGUE of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. I thank the chairman.

First, may I pay my respects to my colleague, the gentleman from Texas (Mr. POAGE). During the days when I was the administrator of the program,

I well remember going down to his big State and dedicating a powerplant. Have the Members any notion what they named it? The Bob Poage plant.

It is doing a good job down there, serving the farms in Texas. I was proud to have had that opportunity.

Now, dealing with the REA program, I have been in it a long time. I was vice president of the system that serves my farm, and I still live on the farm. I was author of the tax bill in Minnesota, one of the best in the Nation. I was the administrator of the program for 3 years, and when I came to Washington it was assumed that a Republican would wreck a program, of course.

But, I inherited the east Kentucky mess, which we worked out; the Georgia power contract, which we worked out; it was in the court for years. Then the Sandy Hook in South Carolina, and we started moving in the direction of partnerships in power. The result of it was that the policies of reducing the power cost got people working together and the costs were reduced. The power costs were reduced. The program worked.

I want to tell the Members of the House that on every one of those policy decisions that had to be initiated and on some of those things that I did, I had to fight a lobby which was supposed to be fighting for REA.

I remember east Kentucky, what a time I had to finally get that thing worked out, but we got the job done.

I only cite this to let the Members know that I have been with this program; I have lived with it; I administered the program and I know its problems. I want to say that I know how dear it is to rural America and what a great program it is.

Imagine going out of the house in the morning and going down to the barn and turning a switch, and there the lights go on; starting a milking machine, which is done by electricity.

Mr. WYLIE. Mr. Chairman, will the gentleman yield for a question?

Mr. NELSEN. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Does the gentleman know what percentage of the Nation's farms are now electrified?

Mr. NELSEN. It is well around 98 percent of the Nation's farms.

Mr. WYLIE. If the gentleman will yield for a further question, as I understand it, in 1971 REA customers paid approximately \$1.75 per kilowatt hour, whereas the rest of the Nation's residential customers had to pay \$2.19 per kilowatt hour for electricity.

Now, since 98 percent of our farms are already electrified, how can we justify the continuation of this expensive program in its present form?

Mr. NELSEN. The odds are that the maintenance of the program, looking to the future, will probably cost more than the original construction, because we have to go from single phase to three phase; we have to go from 1½ kilowatt transformers to 5 kilowatts. The cost of rebuilding is always a problem.

Mr. WYLIE. Will the gentleman yield further for another question?

Mr. NELSEN. I yield.

Mr. WYLIE. Does the gentleman think it is appropriate that we should continue the present program until such time as we get the other 2 percent of the Nation's farms electrified? Is that what the gentleman is saying?

Mr. NELSEN. I think the program will continue indefinitely because, really, the purpose of this bank is to get off the 2 percent onto a financing plan of their own, giving it the security. This I think the program needs to serve rural America.

I would hate to see any other approach ever made. It should endure for the future.

Mr. WYLIE. I thank the gentleman. Mr. Chairman, will the gentleman yield for one more question?

Mr. NELSEN. I yield.

Mr. WYLIE. The continuation of the rural electrification and telephone projects, as I understand it, would be mainly to service developing suburban areas rather than farm communities.

Mr. NELSEN. That is not exactly an accurate statement. The REA Act does not provide that they just have to serve farms, but provides for serving rural areas. Many times there is development in rural areas, which have no other access to power. Actually, we used to invite the possibility of sweetening up the load a little bit, so that the whole system would be financially stable.

Mr. WYLIE. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, I should like to call attention to a speech which was made by a gentleman here in the last session of Congress, when the gentleman from Arkansas (Mr. MILLS) the chairman of the Committee on Ways and Means, stood over by his chair and addressed the House of Representatives.

The gentleman from Arkansas Mr. WILBUR MILLS, said that we needed a ceiling on spending. He said:

We in the Congress have not shown restraint. We have not exercised our responsibilities. We have got to have a ceiling and give the President some authority because we have not exercised ours.

When we look at the wobbly situation of our dollar and see the devastating inflationary trend, to a great degree because of congressional, shall we say deficit spending—that is a contributing factor—I can well understand why the administration sought to look for ways and means whereby the pressure on the budget would be reduced.

I heard the rumor that a change was going to be made. I called even before it was announced, suggesting guaranteed loans, insured loans, hoping it would be in the REA Administration, as the gentleman from Texas (Mr. POAGE), and I wanted it to be. But instead it was put under the Rural Development Act, which in my judgment has presented many, many problems because of the policies and because of the requirements of the act itself.

So when I came back to Washington I made some inquiries in high places, hoping that we could keep this program in REA. I believe I succeeded in convincing certain people of the merits of that.

The next step would be how to work

it out with the Rural Development Fund. Already the Rural Development Fund had authority for guaranteed loans and insured loans. Therefore, it was used as a facility to get away from a 2-percent rate up to a sensible rate, and 5 percent is even conservative.

So the gentleman from Texas (Mr. POAGE) and I did a little searching around. We went down to see the Secretary of Agriculture at 7:30 in the morning one day, and we learned that there were certain things the administration wanted, for good reason. One was that impounded funds should stay frozen, not because the dollar amounts were great but because if one starts sliding on one front one may slide on the next and the next and the next.

The next thing offered was to place interest and principal payments into this fund. The gentleman from Texas (Mr. POAGE) looked at me and he said, "That is a better deal than we had even anticipated would happen," because this was a good deal.

But then, in the use of the Rural Development Fund, I had my apprehension about it, because I did not want our dollars coming there and going out to build sewers somewhere. I said, "Will you give us a separate account in the Rural Development Fund?"

The administration agreed that they would do that.

Mr. Chairman, the next point of difference was a generation policy, where the gentleman from Texas (Mr. POAGE) did not want to say that generations should be treated differently than any other loan, and I sort of abide by his point of view.

And so we have been pursuing this, and my amendment will provide that it will be treated just like any other loan.

Mr. Chairman, my amendment will set up a provision in it with a separate fund in the rural development fund. My amendment will not have in it mandatory spending of any kind.

Now, Mr. Chairman, when I say, "mandatory spending," I want to refer to the fact, as I did earlier, that I am glad we have a Budget Bureau. I do not like some of the arbitrary things that sometimes happen. Over in my own committee, the Commerce Committee, I find time after time that mandatory spending creeps in.

The Congress of the United States set up a Budget Bureau because they knew that they needed some kind of an overview as far as the total expenditures of Government are concerned. I think we need to have that kind of an overview, especially in view of the fact that our fiscal policy is in some jeopardy in the United States.

Mr. Chairman, getting to the amendment that I will offer, the amendment that I will offer will keep it in REA; it will not have a mandatory provision. But I think the Congress of the United States ought to set a ceiling, because this program will build and build and build, with billions of dollars in it, and it could go wild unless we have a little overview of it. I think we need it, and the gentleman from Texas (Mr. POAGE) agrees and so stated in the Committee on Rules.

Mr. Chairman, I think the Rural De-

velopment Fund could very well be a blessing instead of a hampering of the program, with the proper safeguards that are in it.

I want to refer back over a few years to a great battle that went on, on this floor, one of the first ones I was ever in, where suddenly we had what was known as the Humphrey-Price bill, taking REA out of Agriculture. It had to be taken out because the Trojan Horse was now in the barn. Well, Mr. Chairman, I won that battle that time, but now it seems strange that there are now those who do not even want to use a fund outside of Agriculture for that same program.

Mr. Chairman, I want to say that the program that the gentleman from Texas (Mr. POAGE) and I could agree on, I am sure, would be an acceptable one, and I shall offer the amendment.

I hope it will not be ruled out of order.

Mr. Chairman, I realize the rule does not provide for it, but I want to say this: that we are so close at this time, the gentleman from Texas (Mr. POAGE) and I, that it would be a shame to have a program like this fall because of the lack of a signature that we need to make it go.

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

Mr. NELSEN. I will be happy to yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I think the gentleman from Minnesota (Mr. NELSEN) is making a very noteworthy and a very impressive statement, and I do appreciate it.

I think we need to have mandatory limits on spending on many otherwise worthwhile programs, but does not this bill do the opposite and require that as to REA loans the Rural Electrification Administration loan all of its moneys and would not this bill force REA to loan more money than maybe actually needed, in view of the fact that 98 percent of the Nation's farms are already electrified?

Now, as I understand the situation, the gentleman's amendment would correct that?

Mr. NELSEN. Mr. Chairman, the amendment that I will offer—and I am sure this is the intention of the gentleman from Texas, Mr. POAGE—to provide that the Congress of the United States would have an overview as to the total dollars, and I believe it is the intention of the gentleman from Texas (Mr. POAGE) that the loans be made if a criteria of eligibility is in evidence, that a cooperative would get the loan under those circumstances.

As far as I am concerned, my amendment will not have a mandatory provision in it, because I believe the Budget Bureau should have the chance to review all programs in Government, having in mind that the total budget should be looked at as sort of one big package.

Now, I do not know if I gave the gentleman an answer to his question or not.

Mr. WYLIE. I do not think so. Could this bill in its present form force the REA to loan more money than is actually needed to accomplish the legitimate REA purposes to wit: rural electrification?

Mr. NELSEN. I would not like to answer that question in a positive way, because I think I know what the intention of the author is. Maybe the language could be so constructed, but I would question if Mr. POAGE intends it to be the result of the language in the bill that there be a forced loaning of money in the pool because of the language in the bill.

Mr. POAGE. Will the gentleman yield? Mr. NELSEN. Yes.

Mr. POAGE. The bill clearly provides that the Secretary of Agriculture shall make available to qualified prospective borrowers for legal purposes—and all of that is in the general law and we have not changed any of it—such money as may be from time to time provided by the Congress, just as it does with the Farmers Home Administration and as we have been doing for years.

The Committee on Appropriations sets a limit on the amount of loans that can be made so that we can set a continued limit on the amount of loans that can be made here, but within that limit we are saying that you shall make available these loans to everybody who is a qualified borrower for the purposes set out in the law. If we made available \$300 million and there were \$300 million of qualified applications, then he would have to make those loans. But if there were not but \$100 million of qualified applications, he would not make but \$100 million of loans.

The reason for that is we had a law for a long time that said the Secretary of Agriculture was authorized to make loans. When we asked the Secretary of Agriculture just 3 weeks ago under what authority he abandoned the REA program, he said that the law authorizes me to make these loans but it does not require me to make them, and I do not have to make them.

Now, if we are going to be faced with that in a few weeks, then we have to say, "Mr. Secretary, we know it would be better if you had more discretion, but you do not want it." We have offered it.

Mr. NELSEN, you will verify, I am sure, that we suggested to the administration's representatives that they take a proposition in which we fixed the lower and upper limits and authorized them to make loans within those limits, but they did not want to take that.

So we have to say right within the limits fixed by the Congress you will continue to have these loans available and make them to all of those who are qualified.

Mr. WYLIE. Will the gentleman yield further?

Mr. NELSEN. Yes. I yield to the gentleman.

Mr. WYLIE. I thank the distinguished chairman for his answers. He refers to the word "authorize" several times, but the language in the bill says that the Administrator is authorized and directed—that is conjunctive and not disjunctive language—to make insured loans under this title and at the interest rate hereinafter provided to the full extent of the assets available in the fund.

Mr. POAGE. Will the gentleman yield further?

Mr. NELSEN. Briefly.

Mr. POAGE. Yes. But he can make it only for the purposes authorized by law, so if we have to change any of the basic law in that respect, he can only make them to those cooperatives or corporations that meet the requirements of the present law as far as it goes.

Mr. WYLIE. If the gentleman will yield further, that is the point I want to make. The Administrator is authorized and directed to make loans for a specific purpose, and that specific purpose is for rural electricity. I thank the gentleman.

Mr. NELSEN. I would say the language in my amendment is much better and it is very plain. I sent a letter to Bob sometime back, and I will present it for the RECORD when we get back in the House. Here is a paragraph I want to read:

My concern is to get the bill, to get it passed, to get it signed. So I recommend that we in our language of the bill (1) keep the Rural Electric Administration in charge, (2) impounded funds not to be touched, (3) interest payments and principal go to the fund, (4) the RDIF would be used as depository with separate accounts set up for REA, and (5) generation criteria would provide limitation on availability of 2% loan with discretionary authority in the hands of the Secretary to make a determination, but where economic circumstances permit, the range of loans would be from 5% to the interest rates on guaranteed loans.

This is my program, this is a good one, and one that can become law, and my concern in this whole deal has been this: That I want to exercise every effort to be sure that we get a bill that will become law, and not do anything that would sacrifice any of the things that the REA program needs. And this has been a criteria of mine all the while that I administered the program and try to work it out on a standard, long-range basis. I have differed with the administration on practices and policies, and my amendments will coincide with what Bob has suggested. The criteria in the administration bill is to cover the 2-percent criteria. My amendment will later be further amended, if we have the chance, to serve about 80 or 90 borrowers, which is the figure Bob gave me earlier, 80 or 90 of them are in desperate financial condition, and they then would get a 2-percent loan, and the rest would get it at 5 percent or the cost of the money.

I am sorry that we do not have more time to sit down together in a room by ourselves and continue to work on this, because we are so close together that it would be too bad if there is a factor in our legislation here—and mandatory spending is one of them—because I cannot see how any President, any administrator, or any government can operate without a total overall overview of our Bureau of the Budget, which the Congress has set up. I do not think this program is any different than others. I think we have to admit that we have drawn on the 2-percent loan much too long, we are dealing with \$6 billion in loans issued on the electric side, and dealing with a nearly billion dollars on the telephone program that has drawn only 2-percent

interest, and costing the Government maybe 7 or 8 percent.

Mr. Chairman, the letter I referred to is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1973.

DEAR COLLEAGUE: I am writing to urge your support of amendments which will be offered on the Floor to H.R. 5683, a bill to amend the Rural Electrification Act of 1936.

My letter is prompted because of a long background in the rural electrification and telephone field—first, as an officer in the system that served my farm, and, also, as a former Administrator of the Rural Electrification Administration (REA) under President Eisenhower.

For years I have contended that a modern and effective financing plan should be established for REA borrowers. When I was Administrator of the REA, we spent a good deal of time trying to design such a plan. More recently, Bob Poage, Chairman of the Committee on Agriculture, and I have held numerous conferences in an effort to develop a sound, long-range plan. Bob, too, has long been associated with the development of the REA program in the United States.

Last week the House Agriculture Committee approved H.R. 5683, and it will come to the Floor soon. *It needs further revision in my judgment, in order to insure that it will be signed into law by the President.*

It is my hope that the necessary amendments will be adopted during the course of Floor debate on the bill. Attached is a copy of a letter I sent to Mr. Poage citing my recommendations.

In conclusion, I strongly urge your support of amendments to make this bill one that is possible of final enactment. I plead that we all search for answers and not issues by adopting the changes that would result in a much needed law for the benefit of the entire nation.

Kindest regards.

Sincerely yours,

ANCHER NELSEN,
Member of Congress.

Attachment.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 19, 1973.

Hon. W. R. POAGE,
Chairman, Committee on Agriculture, U.S.

House of Representatives, Rayburn
House Office Building, Washington, D.C.

DEAR BOB: In our meeting this morning, I agreed to set forth my views and concerns dealing with a hopeful conclusion for the REA program.

I believe that we both agreed that the original bill which we introduced was a vehicle (without doubt some flaws in it), and neither of us assumed that it was perfect in every detail. We did agree that the important objective was a facility for financing of the REA program and also a recognition that the present 2% rate no longer was an acceptable level as provided in the Act we presently operate under. True to our expectations, our vehicle was not totally acceptable, which was understandable. You will recall that I arranged a meeting with Secretary Butz hoping that we could resolve our differences. The Secretary indicated that the present Administration of the Rural Electric Program would continue to be in charge of this important function. Secretary Butz also indicated that the impounded funds presently frozen should not be touched, but instead we would be given the interest payments and principal which would go to a revolving fund for reloaning. It was agreed that this was a very good trade, perhaps more than we expected.

We were next advised that the Administration wished to make use of the so-called Rural Development Insurance Fund, making

it the depository for REA principal and interest payments coming in. We then asked that a separate account be set up which would totally protect the REA program. It was agreed that this could be and would be arranged.

The next item of concern to the Administration was generation policy, and the Office of Management and Budget expressed the wish that all generation loans be set at "market rates." We agreed that such an inflexible position could in some cases work a hardship, and I feel that the criteria that you have proposed would give opportunity of some discretion, taking into account economic pressures, fuel costs, etc. I believe that we might follow the pattern of the distribution loans, which provides for discretionary authority at the 2% level, a minimum in other categories at 5%, or not more than the interest rates on guaranteed loans. This is the pattern of the distribution cooperatives and, likewise, it could apply to generation loans. Such criteria would give the Administrator of the program proper needed authority to meet the terms of the REA Act.

Unfortunately, these provisions which I felt were reasonable and acceptable are not contained in H.R. 5683, and this seriously jeopardizes its chances of being enacted into law.

My concern is to get a bill, to get it passed, and get it signed. So I would recommend that we in our language of the bill (1) keep the Rural Electric Administration in charge, (2) impounded funds not to be touched, (3) interest payments and principal to go to the fund, (4) the RDIF would be used as depository with separate accounts set up for REA, and (5) generation criteria would provide limitation on availability of 2% loan with discretionary authority in the hands of the Secretary to make a determination, but where economic circumstances permit, the range of loans would be from 5% to the interest rates on guaranteed loans.

The new Denholm Bill (H.R. 5683) has in it mandatory provisions concerning loans which, as a former Administrator, I would find very difficult to deal with. Many times some discretion is necessary, and no criteria could fit all circumstances. There needs to be some modification dealing with that situation.

This great program has been one of the blessings of rural America, and the great success of it makes it deserving of the protection that legislation of this kind would give. I am desirous of putting together language in a bill that would make it acceptable to the Administration. I would hate to see a situation develop where we wind up with no bill at all, and we are back in the Rural Development Program as presently in operation by order of the Office of Management and Budget.

With best wishes.

Sincerely yours,

ANCHER NELSEN,
Member of Congress.

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

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

Mr. MIZELL. Mr. Chairman, I thank the gentleman for yielding. Certainly, Mr. Chairman, I appreciate the tremendous effort the gentleman in the well has put forth, along with that of the Chairman of our Committee, in trying to reach some very constructive compromise, and we have come a long ways from the first Denholm bill that we started hearings on in the Committee on Agriculture that relates to REA. But I certainly hope that the House will have a chance to consider the substitute that will be offered by the gentleman from

Minnesota (Mr. NELSEN) because I think it removes some of the objectionable factors that are still in the bill that I certainly think will keep this legislation from becoming law if there is no change.

We have a very difficult road ahead. So I certainly hope the House will have a chance to consider the amendment to be offered by the gentleman from Minnesota (Mr. NELSEN). I certainly intend to support the gentleman's substitute, and strongly hope very much that we will have a chance to at least vote on it.

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

The CHAIRMAN. The Chair will count.

One hundred seventeen Members are present, a quorum.

Mr. POAGE. Mr. Chairman, we have no further requests for time.

Mr. TEAGUE of California. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, as a long-time supporter of the rural electrification program, I was, of course, deeply concerned at the very sudden action of the Department of Agriculture on December 29 when they very abruptly and without any advance warning terminated the program of direct loans. I was almost immediately in close touch with a number of the rural electric cooperatives in my State. These are organizations which, at least as far as Iowa is concerned, have certainly made an outstanding record in bringing electrification and telephone service to rural America.

REC officers and directors in our part of the country are not only very efficient administrators of their cooperatives, but they have also proved themselves as to be responsible, leading citizens in the community and State affairs. When I talked with these rural electric and rural telephone leaders shortly after the December 29 cutoff, they were in a state of great consternation.

They had had the rug pulled out from under them after successfully administering a long established program which had certainly proved its merit. Some of them were relying on loan authority which they had every reason to believe would be granted immediately after the first of the year. They had gone ahead and made commitments for construction, and now suddenly the program under which their loans were to be granted was terminated. This without question created cases of genuine hardship in my own congressional district. In discussions with my REC friends we tried to find a practical solution to the dilemma in which they found themselves. It soon became evident that they were not so concerned about the interest rates that would be charged. They were much more interested in making sure that there would be adequate loan funds available, and they were perfectly willing to pay reasonable interest rates for them.

They themselves volunteered to me the proposition that they did not expect a continuation of 2 percent money for their own cooperatives; they readily conceded that that was no longer necessary for most cooperatives, although

there were some real hardship cases and some with a very low density of subscribers that would justify it. But what they all wanted was to have really adequate loan capital available to them on a long term, reliable and dependable basis.

So when I came back to Washington in January, that was what I tried to work to accomplish. Unfortunately, when Congress first convened, there was an attitude of extreme confrontation developing on this. The first bill introduced to meet the situation was one that would have directed complete restoration of the old program with 2-percent money on loans across the board, and this was initially considered at the hearings held by the Committee on Agriculture on the subject.

The administration's response to that bill as expressed in the testimony of Under Secretary Phil Campbell on February 27, was a flat "no," and he did not come back with any other proposal or compromise suggestion at that time. However, he did express a willingness to work with the committee in arriving at some compromise and to consider any proposal made by the committee. Thereafter it was my privilege to work with the gentleman from Minnesota (Mr. NELSEN) and others who were really trying to find some ways of getting money to our cooperatives promptly, some way to evolve a workable program, rather than a campaign issue. We were able to persuade the administration to move from its original position of mere opposition and to make very substantial changes in that position in a good faith effort to arrive at a compromise acceptable to the REC.

The administration did in fact offer and suggest a new source of loan funds which would provide a very generous, even dramatic increase in the amount of loan money to be available. This was entirely an administration initiative although it has now been incorporated in the committee bill, H.R. 5683. It was the administration that first came forward with the idea that all outstanding REA obligations, interest and principal, would be made available for electronic and telephone cooperative loans.

How much money is that? Why every month there is \$27 million in cash which becomes due and will be paid in for that purpose, or paid into that, \$329 million every year. There is a total of \$6.7 billion that is now outstanding that will be payable in cash and available for these loans in the next 35 years. That is far more than has ever been available for loans in the past. And remember, that is the cash figure. In an insured and guaranteed loan program such as the administration proposed and is now in the committee bill, the loan factor is conservatively figured at 10 to 1, so that the amount of loans available which could be obtained in 1 month on the basis of \$27 million, would be \$270 million, which is far in excess of any need for loans ever experienced or projected?

I will not take time to recite all the other provisions of the administration proposal which was introduced by our distinguished colleague, the gentleman

from Minnesota (Mr. NELSEN), as H.R. 5536. I offered it in the committee with some modifications desired by the REA because I thought it would substantially meet their credit needs on reasonable terms. It also had the great virtue that it would have been promptly signed by the President, and could very speedily have become law. We had assurances in negotiations with the administration, in which the distinguished chairman played a prominent part, that within 30 days of the enactment of the administration alternative H.R. 5536, this loan money would be available and in the hands of our co-ops. To my way of thinking it is unfortunate that the committee rejected my amendment, H.R. 5536, which would indeed have substantially met the needs of our rural electric cooperatives.

A number of us continued to try very hard to effect a compromise which would have both legislative and Executive support. It seemed that the gap was very narrow at one time but the negotiations never quite succeeded.

I wish the Rules Committee had made it possible for the House to work its will on the administration substitute, H.R. 5536, today because I feel it would really have been in the interest of our co-ops to have the immediate resources of that bill which we would assuredly be signed by the President. If the administration or Nelsen substitute cannot be adopted today, then all that we will have before us will be the committee bill, H.R. 5683.

It is apparently extremely objectionable to the administration because of its provision in section 305a for so-called mandatory spending or mandatory lending, which have already been discussed rather thoroughly by both sides. This seems to be the principal obstacle to Executive approval. I still think it would be in the interest of our co-ops for us to make a further effort to get this objectionable provision modified in some way as to meet the administration's objections and get urgently needed loan money on the way without further delay. But if this cannot be accomplished, and the Nelsen substitute does not prevail, then we will have only one choice. If those of us who are supporters of rural electric and telephone co-ops are to accomplish anything for them in the way of legislation at this session, then the only way we can vote our support of REA is to vote for this bill on H.R. 5683 on final passage. It is the only thing which will be available to us. It may not be what some would have preferred as best serving the long time interest of our co-ops, but on final passage it seems to me the friends of rural electric and telephone cooperatives will be confronted with a clear choice. We should on final passage vote aye, and I as one Member of this House certainly urge my colleagues to join me in doing so.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, the bill we are considering would tie the hands of the REA Administrator so as to compel him to make loans, for which there was no need because it mandates, with emphasis on the mandate, that he shall make loans to the full extent of

the available funds. Gone would be the wide discretion Congress from the very beginning has entrusted to REA administrators to conduct these complex and important REA programs.

This denial of discretion to meet changing needs in the administration of the programs becomes even more serious when it is combined, as it is in H.R. 5683, with the availability of enormous sums of money which are poured into the new revolving fund by the bill. Originally, I will admit I favored this provision until I learned the impact of this procedure. Here is another glaring example of back door spending which I traditionally oppose.

All of the outstanding assets of the REA programs, over \$6.7 billion, become part of the fund. The fund gets another windfall in the form of billions of dollars of interest due on old REA borrowings from the Treasury because the bill excuses such interest payment. Besides there is no safety valve for the fund when the excessive size of the fund becomes so apparent even the blindest REA supporters have to see it. The fund pays the Treasury the principal of these past REA borrowings only when due—and there are long-term 40-year notes. the new loans do not help reduce the excessive size of the fund because they are sold to the public and the proceeds go back into the fund. Defaults would not reduce the fund unless REA, driven by the mandate to use up the available funds, starts making bad loans and abandons the sound operation which has given it an almost perfect record of no defaulted loans out of the \$10 billion loans already made. All agree this is a very commendable record.

Another thing the pressure of this huge fund might induce an REA administrator to do would be to make vast numbers of 2 percent loans under the unlimited discretion the bill, in strange contrast to its mandatory lending provisions gives him to fix 2 percent as the interest note for loans. These discretionary 2-percent loans would be in addition to the automatic 2-percent loans provided in the bill. Even the drain on the fund from this low-interest rate, which would cost the Treasury 5 percent on every dollar so loaned, would not keep the fund from growing enormously, particularly since the bill provides for making up such losses by appropriations to the already swollen fund.

The bill attempts to avoid the severe budget impact of its provisions by the seemingly magic and fictitious formula of declaring that expenditures shall not be considered as expenditures. This is foolish. The magic formula is not reserved by this bill for expenditures in connection with insured loans sold to the public which are quickly replaced by private sector funds from the purchasers of the loans. It is even used for the Rural Telephone Bank expenditures of loans which are not insured or sold to the public, but are financed directly and solely by the Treasury. That whole part of the bill that relates to the Rural Telephone Bank makes basic changes, including the bank interest rate provisions, in a law which has been in operation

only a very short time and there is no evidence of any need for these changes at this time.

Two basic changes that should be pointed out are these:

At present a Rural Telephone Bank can borrow up to eight times its assets. Under this bill that ratio will be increased to 20 to 1.

At present, debentures carry no Government guarantees. Under this bill all debentures will be guaranteed by the Government.

These drastic provisions represent overkill in its darkest form. Acceptable alternatives to H.R. 5683 would utilize a fund already in existence, the rural development insurance fund, without creating this enormous new fund. The REA collections which would go into this existing fund would more than generously cover REA program needs if, as proposed by such alternative, they were handled on an insured and guaranteed loan basis. Such acceptable alternative would relieve the budget impact of the REA programs by bringing in private sector funds in amounts to fully match these REA program needs. The administration's announced \$200 million increase in the fiscal 1973 programs through the conversion to an insured and guaranteed loan program, shows what can be done through sale of insured loans without pouring unneeded billions into a new revolving fund as this bill proposes.

Mr. POAGE. Mr. Chairman, I yield myself 1 minute, and I yield to the gentleman from Missouri (Mr. ICHORD) for a question.

Mr. ICHORD. Mr. Chairman, I will state to the gentleman from Texas that I have always been a strong champion of the REA program as is the gentleman from Texas. I believe it is one of those Federal programs truly touched with greatness.

I suppose it is impossible to discuss this legislation without getting into the impoundment issue, without discussing expenditures and revenues.

I will state very frankly to the gentleman from Texas that I strongly believe in this matter of balancing the budget, bringing expenditures in line with revenues—not only the President of the United States has dirty hands, the Congress has dirty hands. I feel very strongly we should set some kind of expenditure limitation.

The CHAIRMAN. The time yielded by the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield myself 1 additional minute, and I yield further to the gentleman from Missouri.

Mr. ICHORD. I believe my votes previously have proved that to be my belief.

But here the issue simply is, "Who is going to control the REA program?" as I see it. Is Congress going to control it, or is OMB going to control it? Is that not essentially the issue we are facing today?

Mr. POAGE. That is the issue. This bill provides that the Congress shall control the program. We are told there will be amendments offered which will suggest that the OMB, or the Administrator, or the President, or whoever it is—the gentleman does not know, and I do not

know—some impersonal representative will control it.

A Member can take his choice between a bill that leaves discretion to the Congress and one that leaves it to these unknown administrators.

Mr. ICHORD. There is no disagreement over the 2-percent loan program or the 5-percent loan program, is there?

Mr. POAGE. No. The bills are the same.

Mr. PICKLE. Mr. Chairman, two myths stalk the very existence of rural electric cooperatives in this country. Myth No. 1—that rural electric cooperatives are getting an undeserved bargain with the established 2-percent Government loan. Myth No. 2—that rural electric cooperatives are hedging in on private utility business.

Before we can look at this bill objectively and before we can decide what is best for the continued good electric service of this Nation, urban and rural alike, I think we must take a closer look at these two myths.

Myth No. 1—the 2-percent Government loan. It is my understanding only 88 of the 930 distribution cooperatives in this country would have received all 2 percent money before the program was stopped in December. That is to say, less than 10 percent of our rural electric cooperatives were receiving all 2 percent money at that time. Under the pending bill, 178 cooperatives would be eligible for 2 percent loans—and that number could be reduced if the administration would give the committee full information.

The cooperatives have already begun to move out on their own, to get market money through their own organization, the Cooperative Finance Corporation. At this time of the remaining cooperatives which do not receive all 2 percent money about half are getting 30 percent of their loan funds from the open market, from the CFC.

Obviously the cooperatives already are moving toward pulling their own weight.

I think the Congress ought to encourage this trend toward establishing other financing for the cooperatives—but I suggest to this body that the brash, cataclysmic, and illegal discarding of the REA law which has been the practice of the present administration is not the way to go about encouraging the trend toward self-reliance in cooperatives.

If the administration really wants to help the REA program, I believe it must endorse meaningful amounts of seed money for the CFC. There must also be sufficient loan moneys and competitive rates to allow systems to operate with flexibility and not under the strain of day-to-day financing or the threat that support will be cut off again with the stroke of a pen.

And—I have yet to hear of a case where a private utility has lost appreciable business because of a cooperative. I think they work together well.

Let us look at the facts. Nationwide, cooperatives average only 3.7 consumers per mile—investor-owned utilities average 35.5 consumers per mile. Nationwide, cooperatives average \$696 in revenue per

mile—investor-owned utilities average almost \$10,500.

So, in spite of discussions centering on whether the rural electric cooperatives serve farm or urban areas, it is obvious that they and the private urban utility still exist in different worlds—serving different needs.

The Rural Electrification Administration has been one of the most successful Government programs ever devised. When this Congress created it 37 years ago, just over 10 percent of our rural areas had electricity. Now that figure is almost 100 percent.

Our cooperatives have, almost to a man, been good investments and wise, frugal, and honest businesses.

But even so, we would not be right in continuing the REA program if the "job was done."

The message that is clear, however, is that the job is not done.

Rural electric cooperatives must continue to serve areas that would not be profitable for private utilities to enter. A single cooperative in my district expects to add 7,900 new customers this year and next—and those additions will not be anywhere near the 35.5 consumer per mile prospects that face private utilities.

A dramatic cutoff of the REA program such as the administration wants—where cooperatives are forced into the open market too soon, where even a cooperative which would qualify for a Government loan can have that loan revoked at any time—can only have one of two results. It can cause prohibitive rate increases for rural electric consumers, or it can cause a shutdown of rural electric operations.

Moreover, the uncertainty of the financing in an on-going operation like electricity could only work to hinder good management.

I find far more practical and realistic the reasoned and strong approach offered to us in the bill we are now considering.

This bill recognizes the varying needs of different cooperatives and provides adequately for them. It encourages the finding of outside funds without imposing unrealistic conditions on the cooperatives. And it provides for funding that is stable.

More than that we cannot ask. More than that this administration should not ask.

Mr. YOUNG of South Carolina, Mr. Chairman, inasmuch as H.R. 5683 provides for lending to electric cooperatives under the Rural Electrification Act by private institutions, it is my desire to note for the RECORD of this Congress prior to the passage of this bill that the banks for cooperatives under the farm credit system as provided for in Public Law 92-181 of the 92d Congress are private lending institutions in the same context as contemplated in this proposed bill.

Mr. MIZELL. Mr. Chairman, I rise briefly at this time to commend my colleagues on the Committee on Agriculture for their exhaustive efforts to produce sound and responsible legislation for the continuance and improvement of

the Rural Electrification Administration program.

I want to express my appreciation as well to the administration for its role in providing many worthwhile suggestions to the committee as we labored to draft a good bill for consideration by the full House today.

I think we have proposed a generally good bill, but I believe further refinement is necessary here today to assure that the President will sign this legislation and that the REA program will continue to provide the service to rural areas it has provided so well over the last 35 years.

There has already been a good deal of constructive compromise achieved prior to our reporting this bill, and I am convinced that if this same spirit of compromise prevails today, we can enact a really good piece of legislation that will serve the needs of our rural citizens and pass the test of fiscal responsibility as well.

My distinguished colleague from Minnesota (Mr. NELSEN) who served so admirably and effectively as REA Administrator from 1953 to 1956, has offered a compromise measure that would allow us to meet both those goals.

His compromise would use the Rural Development Insurance Fund to make REA loans, but would retain the integrity of the REA account within the fund.

Insured electric loans would be issued at a 5-percent rate, and telephone loans would range between 5 percent and market rate, depending upon ability to pay.

Generation and transmission loans would generally be at market rates.

Two percent loans could be made for borrowers where the density would be three customers per mile of proposed line, and the borrower had a time interest earned ratio of 1.5 or less or debt service coverage of 1.25 or less.

The time interest earned ratio simply measures the burden of interest repayments on a borrower. It equals the sum of margins—profits—plus interest divided by interest. Thus, a low ratio indicates a high proportion of interest burden as it relates to profits.

The debt service coverage ratio is similar, but it takes into account depreciation and amortization expenses and the total loan repayment burden rather than simply interest. This ratio equals the sum of margins, interest expense, and depreciation divided by total interest and principal repayments.

Finally, Mr. NELSEN's compromise would allow the Secretary of Agriculture to make low interest loans in hardship cases.

With these measures adopted, I believe we will have an effective, responsible bill that the President will sign and that the rural citizen will appreciate.

My main concern is to have enough money for loans to insure a continued successful REA program. Mr. NELSEN has proposed an excellent means of reaching that goal, and I urge my colleagues to support his compromise measure, so that we can have a good REA program now and in the future.

Mr. CULVER. Mr. Chairman, I urge

the immediate passage of H.R. 5683, the Rural Electrification Act amendment. Recently, I cosponsored H.R. 4615 whose purpose was to reinstate the REA direct loan program which the administration terminated earlier this year. However, I consider the bill, H.R. 5683, reported by the committee a worthy compromise.

The administration, by terminating the REA program has shown its unfortunate lack of concern for the continuing need for improving living conditions in rural areas. Rural areas contain one-quarter to one-half of our poor people and nearly 60 percent of our substandard housing. Rural electricity demands are doubling every seven years. The termination of the REA loan program would aggravate conditions by causing higher bills for rural electric users and reduced service.

The administration maintains that REA cooperatives no longer need the benefit of special low interest rates. This is true in some cases. There are still, however, many rural electric cooperatives in thinly populated areas. These areas often have a nominal industrial base and will not survive without the REA program. The bill reported by committee recognizes the continued need for low-cost REA financing in these areas.

The REA has a fine service record dating back to its inception in 1936. The REA has financed over 1.7 million miles of electric lines, thousands of substations, and almost 200 generating plants in 46 States. Today, over 7 million consumers receive power from REA lines. Since 1936 there has been an increase of over 80 percent in the number of rural homes which have electric service. It is not surprising the public is alarmed at the administration's termination of this efficient program. A recent poll in my State shows that over 43 percent of the general public is against the elimination of the low interest REA loans.

Additionally, a great number of my constituents are concerned about the method the administration used in terminating this program. The President's impoundment of congressionally appropriated funds raises substantial constitutional questions. When Congress judges a program to be in the public interest, it is beyond the President's constitutional authority to terminate the program by Executive impoundment. Passage of H.R. 5683 will reaffirm the principle that only Congress has the authority to terminate a program created by it.

Therefore, I call for immediate passage of this very worthwhile bill.

Mr. TEAGUE of California. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended, and that such rural electric and telephone sys-

tems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives. The Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), is therefore further amended as hereinafter provided.

Sec. 2. Title III of the Rural Electrification Act of 1936, as amended, is amended by striking out all of sections 301 and 302 and inserting in lieu thereof the following new sections:

"SEC. 301. RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND.—(a) There is hereby established in the Treasury of the United States a fund, to be known as the Rural Electrification and Telephone Revolving Fund (hereinafter referred to as the "fund"), consisting of:

"(1) all notes, bonds, obligations, liens, mortgages, and property delivered or assigned to the Administrator pursuant to loans herebefore or hereafter made under sections 4, 5, and 201 of this Act and under this title, as of the effective date of this title, as revised herein, and all proceeds from the sales hereunder of such notes, bonds, obligations, liens, mortgages, and property, which shall be transferred to and be assets of the fund;

"(2) undisbursed balances of electric and telephone loans made under sections 4, 5, and 201, which as of the effective date of this title, as revised herein, shall be transferred to and be assets of the fund;

"(3) notwithstanding section 3 (a) and (f) of title I, all collections of principal and interest received on and after July 1, 1972, on notes, bonds, judgments, or other obligations made or held under titles I and II of this Act and under this title, except for net collection proceeds previously appropriated for the purchase of class A stock in the Rural Telephone Bank, which shall be paid into and be assets of the fund;

"(4) all appropriations for interest subsidies and losses required under this title which may hereafter be made by the Congress;

"(5) moneys borrowed from the Secretary of the Treasury pursuant to section 304(a); and

"(6) shares of the capital stock of the Rural Telephone Bank purchased by the United States pursuant to section 406(a) of this Act and moneys received from said bank upon retirement of said shares of stock in accordance with the provisions of title IV of this Act, which said shares and moneys shall be assets of the fund.

"SEC. 302. LIABILITIES AND USES OF FUND.—(a) The notes of the Administrator to the Secretary of the Treasury to obtain funds for loans under sections 4, 5, and 201 of this Act, and all other liabilities against the appropriations or assets in the fund in connection with electrification and telephone loan operations shall be liabilities of the fund, and all other obligations against such appropriations or assets in the fund arising out of electrification and telephone loan operations shall be obligations of the fund.

"(b) The assets of the fund shall be available only for the following purposes:

"(1) loans which could be insured under this title, and for advances in connection with such loans and loans previously made, as of the effective date of this title, as revised herein, under sections 4, 5, and 201 of this Act;

"(2) payment of principal when due on outstanding loans to the Administrator from the Secretary of the Treasury for electrification and telephone purposes pursuant to section 3(a) of this Act and payment of principal and interest when due on loans to the Administrator from the Secretary of the Treasury pursuant to section 304(a) of this title;

"(3) payment of amounts to which the holder of notes is entitled on insured loans: *Provided*, That payments other than final payments need not be remitted to the holder until due or until the next agreed annual, semiannual, or quarterly remittance date;

"(4) payment to the holder of insured notes of any defaulted installment or, upon assignment of the note to the Administrator at his request, the entire balance due on the note;

"(5) purchase of notes in accordance with contracts of insurance entered into by the Administrator;

"(6) payment in compliance with contracts of guarantee;

"(7) payment of taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application, and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, expenses for necessary services, including construction inspections, commercial appraisals, loan servicing, consulting business advisory or other commercial and technical services, and other program services, and other expenses and advances authorized in section 7 of this Act in connection with insured loans. Such items may be paid in connection with guaranteed loans after or in connection with the acquisition of such loans or security thereof after default, to the extent determined to be necessary to protect the interest of the Government, or in connection with any other activity authorized in this Act;

"(8) payment of the purchase price and any costs and expenses incurred in connection with the purchase, acquisition, or operation of property pursuant to section 7 of this Act.

SEC. 303. DEPOSIT OF FUND MONEYS.—Moneys in the fund shall remain on deposit in the Treasury of the United States until disbursed.

SEC. 304. FINANCIAL TRANSACTIONS OF THE FUND.—(a) The Administrator is authorized to make and issue interim notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations of the fund and for making loans, advances and authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be agreed upon by the Administrator and the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Administrator under this section. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States: *Provided*, however, That such interim notes to the Secretary of the Treasury shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) The Secretary of the Treasury is authorized and directed to purchase for resale obligations insured through the fund when offered by the Administrator. Such resales shall be upon such terms and conditions as the Secretary of the Treasury shall determine. Purchases and resales by the Sec-

retary of the Treasury hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(c) The Administrator may, on an insured basis or otherwise, sell and assign any notes in the fund or sell certificates of beneficial ownership therein to the Secretary of the Treasury or in the private market. Any sale by the Administrator of notes individually or in blocks shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Administrator, under an agreement with the purchaser or purchasers, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser or purchasers of the individual note or of the certificate of beneficial ownership in a number of such notes. Security instruments taken by the Administrator in connection with any notes in the fund may constitute liens running to the United States notwithstanding the fact that such notes may be thereafter held by purchasers thereof.

SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.—(a) The Administrator is authorized and directed to make insured loans under this title and at the interest rates hereinafter provided to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by the Congress of the United States for loans to be made in any one year, which amounts shall remain available until expended: *Provided*, That any such loans and advances shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) Insured loans made under this title shall bear interest at either 2 per centum per annum (hereinafter called the 'special rate'), or 5 per centum per annum (hereinafter called 'standard rate'). Loans bearing the special rate shall be reserved for and made by the Administrator to the full extent of the authorities contained herein for any electric or telephone borrower which meets either of the following conditions:

"(1) has an average consumer or subscriber density of two or fewer per mile, or

"(2) has an average gross revenue per mile which is at least \$450 below the average gross revenue per mile of REA-financed electric systems, in the case of electric borrowers, or at least \$300 below the average gross revenue per mile of REA-financed telephone systems, in the case of telephone borrowers: *Provided*, however, That the Administrator may, in his sole discretion, make a loan at the special rate if he finds that the borrower:

"(A) has experienced extenuating circumstances or extreme hardship;

"(B) cannot, in accordance with generally accepted management and accounting principles, produce net income or margins before interest of at least equal to 150 per centum of its total interest requirements on all outstanding and proposed loans with an interest rate greater than 2 per centum per annum on the entire current loan, and still meet the objectives of the Act, or

"(C) cannot, in accordance with generally accepted management and accounting principles and without an excessive increase in the rates charged by such borrowers to their consumers or subscribers, provide service consistent with the objectives of the Act.

"(c) Loans made under this section shall be insured by the Administrator when purchased by a lender. As used in this Act, an insured loan is one which is made, held, and serviced by the Administrator, and sold and insured by the Administrator hereunder;

such loans shall be sold and insured by the Administrator without undue delay.

SEC. 306. GUARANTEED LOANS; ACCOMMODATION AND SUBORDINATION OF LIENS.—The Administrator may provide financial assistance to borrowers for purposes provided in the Rural Electrification Act of 1936, as amended, by guaranteeing loans, in the full amount thereof, made by the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation, and any other legally organized lending agency, or by accommodating or subordinating liens or mortgages in the fund held by the Administrator as owner or as trustee or custodian for purchasers of notes from the fund, or by any combination of such guarantee, accommodation, or subordination. No fees or charges shall be assessed for any such guarantee, accommodation, or subordination. *Guaranteed loans shall bear interest at the rate agreed upon by the borrower and the lender. Guaranteed loans, and accommodation and subordination of liens or mortgages, may be made concurrently with a loan insured at the standard rate. The amount of guaranteed loans shall be subject only to such limitations as to amounts as may be authorized from time to time by the Congress of the United States: *Provided*, That any amounts guaranteed hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.*

SEC. 307. OTHER FINANCING.—When it appears to the Administrator that the loan applicant is able to obtain a loan for part of his credit needs from a responsible cooperative or other credit source at reasonable rates and terms consistent with the loan applicant's ability to pay and the achievement of the Act's objectives, he may request the loan applicant to apply for and accept such a loan concurrently with a loan insured at the standard rate, subject, however, to full use being made by the Administrator of the funds made available hereunder for such insured loans under this title.

SEC. 308. FULL FAITH AND CREDIT OF THE UNITED STATES.—Any contract of insurance or guarantee executed by the Administrator under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

SEC. 309. LOAN TERMS AND CONDITIONS.—Loans made from or insured through the fund shall be for the same purposes and on the same terms and conditions as are provided for loans in titles I and II of this Act except as otherwise provided in sections 303 and 308 inclusive.

SEC. 310. REFINANCING OF RURAL DEVELOPMENT ACT LOANS.—At the request of the borrower, the Administrator is authorized and directed to refinance with loans which may be insured under this Act, any loans made for rural electric and telephone facilities under any provision of the Consolidated Farm and Rural Development Act."

SEC. 3. Section 3(f) of the Rural Electrification Act of 1936, as amended, is amended by striking "Except as otherwise provided in sections 301 and 406(a) of this Act," and by inserting ", *Provided*, however, That notwithstanding subsection (a) of this section, payments of such loans heretofore or hereafter made to the Administrator for use in making loans to borrowers under titles I and II shall not include any interest" immediately before the semicolon.

SEC. 4. Section 405 of the Rural Electrification Act of 1936, as amended, is further amended by striking subsection (e) in its en-

tirety and by inserting in lieu thereof a new subsection (e), as follows:

"(e) Thereafter, the cooperative-type entities and organizations holding class B and class C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class; and the commercial-type entities and organizations holding class B and class C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class. Limited proxy voting may be permitted, as authorized by the bylaws of the telephone bank. Cumulative voting shall not be permitted."

SEC. 5. The second sentence of section 406 (a) of the Rural Electrification Act of 1936, as amended, is further amended by striking "from net collection proceeds in the rural telephone account created under title III of this Act" immediately after the word "appropriated".

SEC. 6. Subsection (a) of section 407 of the Rural Electrification Act of 1936, as amended, is amended by striking out "eight" in the second sentence and inserting in lieu thereof "twenty", and by striking out all of the third sentence.

SEC. 7. Section 407 of the Rural Electrification Act of 1936, as amended, is amended by adding a new subsection (c) as follows:

"(c) Purchases and resales by the Secretary of the Treasury as authorized in subsection (b) of this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

SEC. 8. Subsection (a) of section 408 of the Rural Electrification Act of 1936, as amended, is amended (a) by inserting the words "or which have been certified by the Administrator to be eligible for such a loan or loan commitment," immediately following the term "this Act," where it first appears; and (b) by adding at the end thereof the following sentence: "Loans and advances made under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

SEC. 9. Subsection (b) of section 408 of the Rural Electrification Act of 1936, as amended, is amended by striking out all of paragraph (3) and inserting in lieu thereof a new paragraph (3) reading:

"(3) Loans under this section shall bear interest at the 'cost of money rate.' The cost of money rate is defined as the average cost of moneys to the telephone bank as determined by the Governor, but not less than 5 per centum per annum."

SEC. 10. The right to repeal, alter, or amend this Act is expressly reserved.

SEC. 11. This Act shall take effect upon enactment.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE
OFFERED BY MR. NELSEN

Mr. NELSEN. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. NELSEN: page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That it is hereby declared to be the policy

of the Congress that adequate funds should be made available to rural electric and telephone systems through insured or guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended, and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives. The Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), is, therefore, further amended as hereinafter provided.

SEC. 2. Title III of the Rural Electrification Act of 1936 is amended by adding at the end thereof the following new sections:

"SEC. 303. INSURED LOANS.

"All loans made pursuant to title I and title II of this Act (hereinafter referred to as 'insured loans') shall be made from and insured through the Rural Development Insurance Fund (hereinafter referred to as the 'fund') established by section 309A of the Consolidated Farm and Rural Development Act (hereinafter referred to as the 'Development Act') and shall be deemed rural development loans for purposes of section 309A of the Development Act. An insured loan is one which is originated, held, and serviced by the Secretary, and ultimately sold and insured in the same manner as provided for rural development loans under the Development Act.

"SEC. 304. GUARANTEED LOANS.

"The Secretary may guarantee loans in the full amount thereof, and use the fund therefor, made by the National Rural Utilities Cooperative Finance Corporation, Banks for Cooperatives, or any legally organized lending institution or agency for purposes for which loans may be made under title I and title II of this Act. The borrower shall pay to the fund as a fee for such guaranteed loan an amount equal to one-quarter of 1 per centum of the loan for the costs of administration and for losses. A guaranteed loan is one which is originated, held, and serviced by a private financial agency or other lender approved by the Secretary.

"SEC. 305. INTEREST RATES ON LOANS.

"(a) Except as provided in subsection (b) of this Section, insured loans for electric and telephone facilities shall bear the rate of interest prescribed by the Secretary equal to the highest rate compatible with the borrower's ability to achieve the objectives of this Act. All loans made under this Section shall bear a rate of interest not in excess of the market rate or less than 5 per centum.

"(b) If an applicant for a loan referred to in section 305(a) demonstrates that it has a consumer or subscriber density of three or less per mile and (i) its earnings or margin coverage of interest is less than 1.50 or (ii) such coverage of debt service is less than 1.25, each determined on the basis of the average of the two highest of the preceding three calendar years, the interest rate shall be 2 per centum: *Provided, however,* That the Secretary may, in his sole discretion, on a case-by-case basis, establish a 2 per centum per annum rate of interest for any loan pursuant to title I or title II, including electric generation and transmission loans, on a finding of extreme hardship or extenuating circumstances in connection with a particular loan.

"(c) Guaranteed loans shall bear interest at such rate as may be agreed upon by the borrower and the lender.

"SEC. 306. COLLECTIONS.

"Notwithstanding section 3(f) of title I and subject to the provisions of section 301 of this title, all collections representing payments of principal and interest on loans, and

proceeds from the sale of security for such loans, heretofore or hereafter made pursuant to title I and title II or insured pursuant to this title, shall become part of the fund and may be used for all purposes relating to rural electrification and telephone loans and for the payment to the Secretary of the Treasury of loans made to the Secretary or the Administrator pursuant to section 3(a) of title I of this Act. Notwithstanding any other provision of law, the Secretary of Agriculture shall segregate and keep in two separate accounts all moneys in the fund devoted to all rural electric and telephone programs and (ii) rural development.

"SEC. 307. REFINANCING OF DEVELOPMENT ACT AND ELECTRIFICATION AND TELEPHONE LOANS.

"On request of the borrower, the Secretary is authorized and directed to refinance with loans which may be insured under this Act, any loans made for rural electric and telephone facilities under any provision of the Consolidated Farm and Rural Development Act.

"SEC. 408. FULL FAITH AND CREDIT OF UNITED STATES.

"Any contract of insurance or guarantee of a loan executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge. The Secretary is authorized to make agreements with respect to the servicing of loans insured or guaranteed under this title and to purchase such loans on such terms and conditions as he may prescribe."

SEC. 3. This shall take effect upon enactment.

Mr. NELSEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD. I think it has been well explained, and I am sure that the chairman of the committee would agree to this.

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

There was no objection.

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

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

Mr. POAGE. Mr. Chairman, I want to reserve a point of order, and I wish to suggest to the gentleman from Minnesota (Mr. NELSEN) that I will not make a point of order. I think his substitute is subject to a point of order very clearly under the rule, but it is my desire that all the Members have an opportunity to express themselves as thoroughly and as completely as they can, and I want the House to have an opportunity to vote on the Nelsen proposal, although I think it is very bad.

Mr. Chairman, I think it turns the administration of our REA program over to some unknown administrator, some GS-14 downtown in some unknown office, but I think that all of the Members ought to have the right to vote upon it.

Mr. Chairman, I withdraw my point of order.

Mr. NELSEN. Mr. Chairman, I wish to thank the gentleman. It is very generous of him. I appreciate it very much.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. NELSEN) for 5 minutes.

Mr. NELSEN. Mr. Chairman, I have explained the proposition in my earlier

discussion, and actually what this amendment would do is what we agreed to do in our meeting with the Secretary of Agriculture. The administration agreed to leave it in the REA Administration or let it continue to be in their charge, which certainly I felt was a necessary thing, because it is a great agency.

Next, the impounded funds would remain frozen, and we would have interest and principal payments into the revolving fund. It would be in a pool in the Rural Development Fund, and amendments are in my proposition that will set it up in a separate account.

Mr. Chairman, the generation policy that the gentleman from Texas (Mr. POAGE) is interested in, as well as myself, I will explain as follows: I have changed the provisions that they had in their bill, using almost the identical language that the gentleman from Texas (Mr. POAGE) wanted, and I agree with him. And then I will also add that with respect to the criteria that is in the bill of the gentleman from Texas (Mr. POAGE) and I am sure he, too, agrees it goes a little too far—the administration is too conservative, and I will have an amendment to my bill that will take a middle road, with about 90 co-ops on the 2-percent loan.

So, Mr. Chairman, I again want to emphasize that this business of having some unknown person downtown waving a wand and making decisions is not in issue. We in the Congress years ago decided we needed a budget bureau. And I think there are many of us who heard the pleadings of the gentleman from Arkansas, (Mr. MILLS) and the gentleman from Mississippi (Mr. COLMER) and the gentleman from Texas (Mr. MAHON) in the last session, where they pointed out that we were at the crossroads. The gentleman from Texas (Mr. MAHON) said that we had to have a better method; the gentleman from Arkansas (Mr. MILLS) said that we had to have a ceiling.

But the Congress paid no attention; we went on our merry way, going deeper and deeper into debt on the national level, and so I think we have to have an overview.

Mr. Chairman, there may be arbitrary decisions at times—without question, there are—but I believe this amendment is a good one, and what I am trying mainly to do is to get a bill that is going to be signed, because this program needs that kind of evolution.

The CHAIRMAN. Does the gentleman from Texas (Mr. POAGE) wish to withdraw his point of order?

Mr. POAGE. Mr. Chairman, I withdraw the point of order, yes.

The CHAIRMAN. The gentleman from Texas (Mr. POAGE) is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman and Members of the House, let me state that getting almost together is not adequate. We are almost in agreement, but that "almost" is such a large factor that I think none of us want to accept it. There are two real differences between the proposal that the gentleman from Minnesota (Mr. NELSEN) has presented and the bill that is before us.

Of course, in the first place, the bill

that is before us provides a revolving fund in REA, not somewhere else.

The proposed substitute offers a fund in the rural development fund, and you do not know and I do not know and I do not think the author of the bill knows just what it does there. It says—

Notwithstanding any other provision of the law the Secretary shall segregate and keep in two separate accounts (1) all of the moneys in the fund devoted to rural electric and telephone purposes and (2) to rural development.

You either are going to kill the rural development or the REA and probably are going to kill both by this kind of a proposal. I do not believe in killing either one of them.

The other great difference is that the gentleman would suggest there be no requirement that the Administrator spend any funds whatsoever or make any loans whatsoever. It simply authorizes him to make loans.

The present law authorizes the Secretary to make loans, and the Secretary told us he was not making them because he was not told he had to make them by the Congress. That is in the testimony of the Secretary of Agriculture who testified to the effect that he was not forced by law to make any loans so he was not going to do it. He made use of the Rural Development Fund to make, possibly, 20 loans during the last 3 months, actually he has only approved loans. He has not made a single loan since December and not \$1 has actually gone to help the needy REA's for the past 3 months.

I think we have to have something here that will make it necessary for the Administrator to go ahead and finance these people who can meet the requirements of the law.

Those are the differences. If you want to carry out the law and continue the REA program, you want to vote for the committee bill.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Minnesota (Mr. NELSEN).

The question was taken; and on a division (demanded by Mr. LEAGUE of California) there were—ayes 42, noes 45.

RECORDED VOTE

Mr. GERALD R. FORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 162, noes 244, not voting 27, as follows:

[Roll No. 74]

AYES—162

Archer	Butler	Dellenback	Mallary	Schneebeli
Arends	Byron	Dennis	Marasiti	Sebelius
Armstrong	Camp	Derwinski	Martin, Nebr.	Shoup
Ashbrook	Cederberg	Devine	Martin, N.C.	Shriver
Bafalis	Chamberlain	Dickinson	Mathias, Calif.	Skubitz
Baker	Clausen,	du Pont	Mayne	Smith, N.Y.
Beard	Don H.	Edwards, Ala.	Mazzoli	Snyder
Bell	Clawson, Del	Erlenborn	Michel	Stanton,
Biester	Cleveland	Esch	Minshall, Ohio	J. William
Blackburn	Cohen	Eshleman	Mitchell, N.Y.	Steele
Boland	Collier	Findley	Mizell	Steelman
Bray	Collins	Fish	Moorhead,	Steiger, Ariz.
Broomfield	Connable	Ford, Gerald R.	Calif.	Steiger, Wis.
Brotzman	Conte	Forsythe	Hansen	Symms
Brown, Mich.	Coughlin	Frelinghuysen	Heastings	Talcott
Brown, Ohio	Crane	Frenzel	Heckler, Mass.	Taylor, Mo.
Broyhill, N.C.	Cronin	Froehlich	Heinz	Teague, Calif.
Broyhill, Va.	Daniel, Robert	Gilman	Hillis	Towell, Nev.
Buchanan	W., Jr.	Goldwater	Hinshaw	Treen
Burgener	Davis, Wis.	Goodling	Hogan	Veysey
			Holt	Walsh
			Horton	Ware
			Hosmer	Whalen
			Huber	Whitehurst
			Hudnut	Widnall
			Hutchinson	Wiggins
			Jarman	Williams
			Keating	Wylie
			Kemp	Wyman
			Ketchum	Young, Ill.
			Kuykendall	Zion
			Landgrebe	
			Latta	
			Lent	
			McCloskey	
			McCollister	
			McEwen	
			McKinney	
			Madigan	
			Mailliard	
				NOES—244
			Abdnor	Duncan
			Abzug	Eckhardt
			Adams	Eilberg
			Addabbo	Evans, Colo.
			Alexander	Evins, Tenn.
			Anderson,	Fascell
			Calif.	Fisher
			Andrews, N.C.	Flood
			Andrews,	Flowers
			N. Dak.	Foley
			Annunzio	Ford,
			Ashley	William D.
			Aspin	Fountain
			Barrett	Fraser
			Bennett	Frey
			Bergland	Fulton
			Bevill	Fuqua
			Bingham	Gaydos
			Blatnik	Gettys
			Boggs	Gibbons
			Boiling	Ginn
			Bowen	Gonzalez
			Brademas	Grasso
			Brasco	Gray
			Breax	Green, Oreg.
			Breckinridge	Green, Pa.
			Brinkley	Griffiths
			Brooks	Guyer
			Brown, Calif.	Hamilton
			Burke, Calif.	Hammer-
			Burke, Fla.	schmidt
			Burke, Mass.	Hanna
			Burleson, Tex.	Hansen, Wash.
			Burlison, Mo.	Harrington
			Burton	Harsha
			Brown, N.Y.	Hawkins
			Carney, Ohio	Hays
			Carter	Hebert
			Casey, Tex.	Hechler, W. Va.
			Chappell	Helstoski
			Chisholm	Henderson
			Clancy	Hicks
			Clark	Hollifield
			Clay	Holtzman
			Cochran	Howard
			Conyers	Hungate
			Corman	Ichord
			Cotter	Johnson, Calif.
			Culver	Johnson, Colo.
			Daniel, Dan	Johnson, Pa.
			Daniels,	Jones, N.C.
			Dominick V.	Jones, Okla.
			Danielson	Jones, Tenn.
			Davis, Ga.	Jordan
			Davis, S.C.	Kastenmeier
			de la Garza	Kazan
			Delaney	Koch
			Dellums	Kyros
			Denholm	Landrum
			Dent	Leggett
			Diggs	Lehman
			Donohue	Litton
			Dorn	Long, La.
			Downing	Long, Md.
			Driman	Lott
			Dusek	Lujan

St Germain	Stokes	Waggonner
Sarbanes	Stubblefield	Walidie
Satterfield	Stuckey	White
Saylor	Studds	Whitten
Scherle	Sullivan	Wolff
Schroeder	Taylor, N.C.	Wright
Saiblerling	Teague, Tex.	Wyatt
Shuster	Thompson, N.J.	Yates
Sikes	Thomson, Wis.	Yatron
Sisk	Thone	Young, Alaska
Slack	Thornton	Young, Fla.
Smith, Iowa	Tiernan	Young, Ga.
Spence	Udall	Young, S.C.
Stanton,	Ullman	Young, Tex.
James V.	Van Deerlin	Zablocki
Stark	Vander Jagt	Zwach
Steed	Vanik	
Stephens	Vigorito	

NOT VOTING—27

Anderson, Ill.	Jones, Ala.	Shipley
Badillo	Karth	Staggers
Biaggi	King	Stratton
Conlan	Kluczynski	Symington
Dingell	McKay	Wilson, Bob
Edwards, Calif.	O'Neill	Wilson,
Flynt	Price, Tex.	Charles H.
Giaimo	Rallsback	Calif.
Gunter	Reid	Wilson.
Harvey	Rooney, N.Y.	Charles, Tex.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BAKER

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

The Clerk read as follows:

Amendment offered by Mr. BAKER: Page 8, line 15, strike out the words "and directed";

Page 8, line 16, insert a period after the word "provided" and strike out the words "to the full extent of" and strike out lines 17 through 24; and

Page 9, line 1, strike out lines 1 and 2.

Mr. BAKER. Mr. Chairman, I have great respect for the chairman of our committee (Mr. POAGE) and the other members of our Committee on Agriculture, who have done a tremendous amount of work trying to perfect legislation which will accommodate the needs of the Rural Electrification Administration.

There is practically no opposition to the REA program. Certainly the contribution of the agency to rural America is most laudable. Tremendous effort on the part of Chairman POAGE and Mr. NELSEN, the gentleman from Minnesota, has been made to reach a compromise which will be acceptable to the administration.

We want legislation which will be signed by the President; legislation which will attend the needs of the REA. There are two major differences in the bill now before us, and a compromise bill which appears to be acceptable to the administration.

One of these differences is the mandatory provision of the bill which directs the Administrator to lend all the funds available in the fund by the end of any year. The estimated collections for fiscal 1973 are \$329.5 million. This is currently \$27 million per month. If the provision of lending 10 times the amount of the fund is adhered to, then we have a mandate to lend about \$270 million per month, or almost \$3.3 billion each year.

This will increase with all principle and interest from loan repayments being placed in the trust fund. This certainly creates a strong incentive for all lending to come from the fund rather than using the private sector in any instance. Sim-

ply, the amendment reads that the words "and directed" are taken out of the language of the bill; and "to the full extent of" the fund as it applies to the spending provisions.

It is simple. I ask for the adoption of the amendment.

Mr. POAGE. Mr. Chairman, I want to thank the gentleman from Tennessee for his fine comments. I want to express my appreciation to all members of the Committee on Agriculture for the sincere work which they have done on this bill.

I know there are serious differences of opinion. This amendment raises one of the two that were raised in the Nelsen substitute which we have just turned down. Of course, we ought to turn this one down, having turned the Nelsen amendment down just a few minutes ago.

The whole question here is whether we are going to have the Congress or the President determine whether we have an REA program or not. If we give the discretion that the gentleman from Tennessee has suggested, we put the law right back where it is.

I am going to repeat, and I hate to do so, but I must repeat for the Members who were not here, that the Secretary of Agriculture testified before our committee within the last 3 weeks or so that the authority that he was relying upon to wipe out the REA program was the fact that the present law says that he "may"; not that he "shall"; make loans.

He said if it had been "shall" of course he would expect to make the loans.

When we put back the same language that has been used to destroy a program as abruptly as the REA program was destroyed last December 29 then we are just marching up the hill and down again.

If we want to actually assume authority of the Congress to say that we are going to have a program and we are going to have one regardless of whether the OMB wants it or not, then of course we should vote down the amendment.

We are not asking to require the Secretary to spend any particular amount of money. We are not asking him to spend money or make loans which are not needed. We are merely saying, "Mr. Secretary, if there are qualified applicants—and you pass upon the qualifications—for the purposes for which the law provides for loans, then you shall make the loans available so long as the Appropriations Committee of the House says that is within the limits."

We leave it to the Congress to say that REA cannot make loans in excess of that set out by the Congress, but we say that if there are qualified applicants for the purposes for which the law provides for loans, REA will make them up to that point, and they pass upon the qualifications.

That is not tying somebody's hands. That is not saying to spend money they should not spend. That is simply saying: "Carry out the program Congress has enacted."

I ask the Members to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. BAKER).

The question was taken; and on a division (demanded by Mr. TEAGUE of California) there were—ayes 98, noes 141.

So the amendment was rejected.

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

Mr. Chairman, I take this time to ask several questions of the chairman of the committee, the gentleman from Texas (Mr. POAGE).

Mr. Chairman, during the colloquy earlier today on the rule, the gentleman from Iowa (Mr. Gross) asked the gentleman from California (Mr. SISK) if there was any money in this bill for aid to North Vietnam. I think the gentleman from California (Mr. SISK) properly replied in the negative, and I believe we all agree that there is no money in the REA specifically earmarked for aid to North Vietnam.

May I ask the gentleman, am I correct?

Mr. POAGE. I would agree with the gentleman's statement. "There is absolutely no money in the REA bill for aid to North Vietnam."

Mr. RARICK. Mr. Chairman, would the gentleman tell the Members this:

Is there any prohibition in the bill in its present form which would prohibit any funds being used for aid to North Vietnam?

Mr. POAGE. The existing law provides that loans can only be made to associations in the United States that perform certain purposes, and association as far as North Vietnam is concerned is not one of them.

The existing law says:

The Administrator is authorized and empowered to make loans in the several States and Territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station services.

Mr. Chairman, that does not make anything in order for North Vietnam.

Mr. RARICK. Mr. Chairman, there is no specific prohibition against any of this money leaving the United States. I am sure my chairman will agree that many times we have seen REA people galloping all over the world. We wonder what law gives them the authority to act as they do.

Mr. POAGE. Mr. Chairman, I think those that the gentleman has been seeing have been having their expenses paid by AID rather than REA. They have been there; REA people have been there, it is true, but they have been carrying out the functions of the AID program rather than those of the REA program.

AMENDMENT OFFERED BY MR. RARICK

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

The Clerk read as follows:

Amendment offered by Mr. RARICK: Page 15, after line 11 insert:

Sec. 10. No funds provided under the Rural Electrification Act of 1936, as amended, shall be used outside the United States or any of its possessions. (And renumber the remaining paragraphs.)

The CHAIRMAN. For what purpose does the gentleman from Michigan (Mr. GERALD R. FORD) rise?

Mr. GERALD R. FORD. Mr. Chairman,

I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Louisiana (Mr. RARICK) is recognized for 5 minutes.

Mr. RARICK. Mr. Chairman, this is simply a clarification amendment. It is offered to make certain that the money authorized by this bill goes to support REA for the American farmers and American rural citizens. I offer this amendment so there will be no misunderstanding downtown that the fund we are here establishing is to be used to promote rural electrification in the United States or its possessions and are not to be used in North Vietnam or anywhere else outside the United States.

Mr. Chairman, I think the REA should be unmistakably a rural American program. The language of this amendment is very simple. It merely tells the State Department and the people downtown that no funds under this act shall be used outside the United States or any of its possessions.

Mr. POAGE. Mr. Chairman, will the gentleman from Louisiana (Mr. RARICK) yield?

Mr. RARICK. Certainly, I will yield to the distinguished gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Chairman, I wonder if the gentleman would agree to substitute the word "territories," for "possessions," in his amendment?

Mr. RARICK. Mr. Chairman, I would be most happy to do that.

Mr. Chairman, I believe that this amendment expresses the intent of every Member in this House. We are not changing the law; we are merely clarifying the language in it so that the people downtown know what our intent is.

Mr. POAGE. Mr. Chairman, I do not think it changes the law either.

I would request that the gentleman from Louisiana (Mr. RARICK) ask unanimous consent to make the change I suggested.

Mr. RARICK. Mr. Chairman, I ask unanimous consent to change the amendment by substituting the word "territories" for the word "possessions."

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

Mr. BURTON. Mr. Chairman, I object. The CHAIRMAN. Objection is heard.

Mr. RARICK. Mr. Chairman, this is a very good amendment. We do not want to take a chance of voting for a bill which might send 1 penny to North Vietnam. My amendment would specifically prohibit any such use of REA funds by requiring the money to be used in the United States or its territories.

Mr. Chairman, I ask for a vote on my amendment.

Mr. GERALD R. FORD. Mr. Chairman, I would like to ask the gentleman from Texas several questions before I either renew or withdraw my reservation.

Mr. GROSS. Mr. Chairman, regular order.

The CHAIRMAN. The gentleman has permission to reserve his point of order.

Mr. GROSS. Mr. Chairman, I make the point of order that he must institute his reservation.

The CHAIRMAN. Does the gentleman

wish to withdraw his point of order and seek recognition?

Mr. GERALD R. FORD. No. I want to make the point of order. I do not think the amendment is germane to the general purposes of the bill.

I appreciate the gentleman from Iowa giving me an opportunity to ask the gentleman from Texas a question or two.

The CHAIRMAN (Mr. ROSTENKOWSKI). The Chair is ready to rule on the point of order.

It is the opinion of the Chair that the amendment is a restriction on the use of funds authorized under the REA program and is germane to the bill.

The Chair therefore overrules the point of order.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from Texas a question or two.

Do I understand the existing law precludes the utilization of any REA funds outside the territorial limits of the United States or territories of the United States?

Mr. POAGE. I would say to the gentleman my interpretation of the law would be it does, because everything is excluded that is not authorized, as I understand the law. But the present law reads that:

"The Administrator is authorized and empowered to make loans in the several States and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service." I would interpret that to preclude the making of loans anywhere except in the United States and its territories. However, the gentleman from Louisiana feels it does not go far enough and in so many words does not prohibit foreign loans. The gentleman read the law and can interpret it as well as I can.

Mr. GERALD R. FORD. It would appear to me certainly—and I suspect that the gentleman from Texas agrees—that this amendment is totally redundant, unnecessary, and irrelevant.

Mr. POAGE. I suggested to the gentleman from Louisiana that I thought he might be making the same provision about 10 times, but I have no objection to it.

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

As I understood the way you read the law, Mr. Chairman, the loan had to be made here, but it does not say that the money had to be spent here.

Mr. POAGE. The Administrator is authorized and empowered to make loans in the several States and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service.

Mr. SNYDER. I am just a country lawyer, but it sounds to me like the loan has to be made in the United States but it can cover people in rural areas wherever they may be.

Mr. POAGE. It can be made only for certain purposes and can be made only in the United States or its territories. To me that precludes Siberia.

Mr. SNYDER. Mr. RARICK's amendment, then, would not hurt anything, would it?

Mr. POAGE. No. I do not think it would hurt anything.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. RARICK).

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5683) to amend the Rural Electrification Act of 1936, as amended, to establish a rural electrification and telephone revolving fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes, pursuant to House Resolution 337, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

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

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

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

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 317, nays 92, not voting 24, as follows:

[Roll No. 75]	YEAS—317
Abdnor	Burlison, Mo.
Abzug	Burton
Adams	Butler
Addabbo	Byron
Alexander	Camp
Anderson,	Carey, N.Y.
Calif.	Carney, Ohio
Andrews, N.C.	Carter
Andrews,	Casey, Tex.
N. Dak.	Cederberg
Annunzio	Chappell
Ashley	Chisholm
Aspin	Clark
Bafalis	Clay
Baker	Cleveland
Barrett	Cochran
Beard	Cohen
Bennett	Conyers
Bergland	Corman
Bevill	Cotter
Blester	Coughlin
Bingham	Culver
Blatnik	Daniel, Dan
Boggs	Daniel, Robert
Boland	W., Jr.
Boiling	Daniels,
Browden	Dominick V.
Brasco	Danielson
Bray	Davis, Ga.
Breaux	Davis, S.C.
Breckinridge	de la Garza
Brinkley	Delaney
Brooks	Dellenback
Brotzman	Dellums
Brown, Calif.	Denholm
Brown, Ohio	Dent
Broyhill, N.C.	Dickinson
Broyhill, Va.	Diggs
Burke, Calif.	Donohue
Burke, Fla.	Dorn
Burke, Mass.	Downing
Burleson, Tex.	Drinan
	du Pont
	Hansen, Idaho
	Hansen, Wash.

Harrington	Minish	Sebelius
Harsha	Mink	Seiberling
Hastings	Mitchell, Md.	Shoup
Hawkins	Mitchell, N.Y.	Shriver
Hays	Mizell	Shuster
Hebert	Moakley	Sikes
Hechler, W. Va.	Mollohan	Sisk
Heinz	Montgomery	Skubitz
Helstroski	Moorhead, Pa.	Slack
Henderson	Morgan	Smith, Iowa
Hicks	Mosher	Snyder
Hillis	Moss	Spence
Hollifield	Murphy, Ill.	Stanton
Holt	Murphy, N.Y.	James V.
Holtzman	Myers	Stark
Howard	Natcher	Steed
Hungate	Nedzi	Steiger, Ariz.
Ichord	Neisen	Steiger, Wis.
Jarman	Nichols	Stephens
Johnson, Calif.	Nix	Stokes
Johnson, Colo.	Obey	Stubblefield
Johnson, Pa.	O'Brien	Stuckey
Jones, N.C.	O'Hara	Studds
Jones, Okla.	Owens	Sullivan
Jones, Tenn.	Parris	Symms
Jordan	Passman	Taylor, Mo.
Kastenmeier	Patman	Taylor, N.C.
Kazen	Patten	Teague, Tex.
Kluczynski	Pepper	Thompson, N.J.
Koch	Perkins	Thomson, Wis.
Kyros	Pickle	Thone
Landrum	Poage	Thornton
Latta	Podell	Tierman
Leggett	Preyer	Treen
Lehman	Price, Ill.	Udall
Litton	Quie	Ullman
Long, La.	Quillen	Van Deerlin
Long, Md.	Randall	Vander Jagt
Lott	Rangel	Vanik
Lujan	Rarick	Vigorito
McCloskey	Rees	Waggoner
McCollister	Regula	Walde
McCormack	Reuss	Wampler
McDade	Riegle	White
McFall	Roberts	Whiteturst
McSpadden	Robinson, Va.	Whitten
Macdonald	Rodino	Widnall
Madden	Roe	Wilson
Madigan	Rogers	Charles, Tex.
Mahon	Roncalio, Wyo.	Winn
Mallary	Rooney, Pa.	Wolff
Mann	Rose	Wright
Martin, N.C.	Rosenthal	Wyatt
Mathias, Calif.	Rostenkowski	Wyman
Mathis, Ga.	Roush	Yates
Matsumaga	Roy	Yatron
Mayne	Royal	Young, Alaska
Mazzoli	Runnels	Young, Fla.
Meeds	Ruppe	Young, Ga.
Melcher	Ruth	Young, S.C.
Metcalfe	St Germain	Young, Tex.
Mezvinsky	Sarbanes	Zablocki
Milford	Satterfield	Zion
Miller	Saylor	Zwach
Mills, Ark.	Scherle	
Mills, Md.	Schroeder	

NAYS—92

Archer	Gibbons	Pettis
Arends	Goldwater	Peyser
Armstrong	Goodling	Pike
Ashbrook	Grasso	Powell, Ohio
Bell	Gross	Pritchard
Blackburn	Guber	Rhodes
Broomfield	Hanrahan	Rinaldo
Brown, Mich.	Heckler, Mass.	Robison, N.Y.
Buchanan	Hinshaw	Roncalio, N.Y.
Burgener	Hogan	Rousselot
Chamberlain	Horton	Ryan
Clancy	Hosmer	Sandman
Clausen,	Huber	Sarasin
Don H.	Hudnut	Schneebeli
Clawson, Del	Hunt	Smith, N.Y.
Collier	Hutchinson	Stanton,
Collins	Keating	J. William
Connable	Kemp	Steele
Conte	Ketchum	Steelman
Crane	Kuykendall	Talcott
Cronin	Landgrebe	Teague, Calif.
Davis, Wis.	Lent	Towell, Nev.
Dennis	McClory	Veysey
Derwinski	McEwen	Walsh
Devine	McKinney	Ware
Erlenborn	Mailliard	Whalen
Esch	Maraziti	Wiggins
Eshleman	Martin, Nebr.	Williams
Fish	Michel	Wydler
Ford, Gerald R.	Minshall, Ohio	Wylie
Forsythe	Moorhead,	Young, Ill.
Frelinghuysen	Calif.	

NOT VOTING—24

Anderson, Ill.	Conlan	Giaimo
Badillo	Dingell	Gunter
Biaggi	Flynt	Harvey

Jones, Ala.	Railsback	Symington
Karth	Reid	Wilson, Bob
King	Rooney, N.Y.	Wilson
McKay	Shipley	Charles H.,
O'Neill	Staggers	Calif.
Price, Tex.	Stratton	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill for, with Mr. Giaimo against.

Until further notice:

Mr. Gunter with Mr. Anderson of Illinois.

Mr. Biaggi with Mr. Harvey.

Mr. Rooney of New York with Mr. King.

Mr. Shipley with Mr. Price of Texas.

Mr. Conlan with Mr. Stratton.

Mr. Staggers with Mr. Railsback.

Mr. Charles H. Wilson of California with Mr. Bob Wilson.

Mr. Reid with Mr. Symington.

Mr. Flynt with Mr. McKay.

Mr. Dingell with Mr. Jones of Alabama.

Mr. Karth with Mr. Badillo.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MR. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from the further consideration of a similar Senate bill (S. 394) to amend the Rural Electrification Act of 1936, as amended, to reaffirm that such funds made available for each fiscal year to carry out the programs provided for in such act be fully obligated in said year, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the purpose of this Act is to reaffirm the original intent of Congress that funds made available under authority of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) are to be loaned for the purposes prescribed in such Act during the fiscal year and in the full amount for which such funds are made available.

Sec. 2. Section 2 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 902), is amended to read as follows:

Sec. 2. The Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act in the several States and territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station service and for the purpose of furnishing and improving telephone service in rural areas, as hereinafter provided; to make, or cause to be made, studies, investigations, and reports concerning the condition and progress of the electrification of and the furnishing of adequate telephone service in rural areas in the several States and territories; and to publish and disseminate information with respect thereto.

Sec. 3. The first sentence of section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking out at the beginning thereof "The Administrator is authorized and empowered,

from the sums hereinbefore authorized, to make loans" and inserting in lieu thereof the following: "The Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act".

Sec. 4. The first sentence of section 201 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 922), is amended to read as follows: "From such sums as are from time to time made available by the Congress to the Administrator for such purpose, pursuant to section 3 of this Act, the Administrator is authorized and directed to make loans each fiscal year in the full amount determined to be necessary by the Congress or appropriated by the Congress pursuant to section 3 of this Act to persons now providing or who may hereafter provide telephone service in rural areas, to public bodies now providing telephone service in rural areas, and to cooperative, nonprofit, limited dividend, or mutual associations."

Sec. 5. Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) is amended by inserting immediately after the first sentence thereof a new sentence as follows: "The authority contained herein to make and insure loans shall be in addition to and not in lieu of any authority contained in the Rural Electrification Act of 1936, as amended."

MOTION OFFERED BY MR. POAGE

MR. POAGE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. POAGE moves to strike out all after the enacting clause of the bill S. 394 and insert in lieu thereof the provisions contained in H.R. 5683, as passed, as follows:

That it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured, and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended, and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives. The Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), is therefore further amended as hereinafter provided.

Sec. 2. Title III of the Rural Electrification Act of 1936, as amended, is amended by striking out all of sections 301 and 302 and inserting in lieu thereof the following new sections:

Sec. 301. RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND.—(a) There is hereby established in the Treasury of the United States a fund, to be known as the Rural Electrification and Telephone Revolving Fund (hereinafter referred to as the "fund"), consisting of:

(1) all notes, bonds, obligations, liens, mortgages, and property delivered or assigned to the Administrator pursuant to loans heretofore or hereafter made under sections 4, 5, and 201 of this Act and under this title, as of the effective date of this title, as revised herein, and all proceeds from the sales hereunder of such notes, bonds, obligations, liens, mortgages, and property, which shall be transferred to and be assets of the fund;

(2) undischarged balances of electric and telephone loans made under sections 4, 5, and 201, which as of the effective date of this title, as revised herein, shall be transferred to be assets of the fund;

(3) notwithstanding section 3 (a) and (f) of title I, all collections of principal and

interest received on and after July 1, 1972, on notes, bonds, judgments, or other obligations made or held under titles I and II of this Act and under this title, except for net collection proceeds previously appropriated for the purchase of class A stock in the Rural Telephone Bank, which shall be paid into and be assets of the fund;

"(4) all appropriations for interest subsidies and losses required under this title which may hereafter be made by the Congress;

"(5) moneys borrowed from the Secretary of the Treasury pursuant to section 304(a); and

"(6) shares of the capital stock of the Rural Telephone Bank purchased by the United States pursuant to section 406(a) of this Act and moneys received from said bank upon retirement of said shares of stock in accordance with the provisions of title IV of this Act, which said shares and moneys shall be assets of the fund.

SEC. 302. LIABILITIES AND USES OF FUND.—(a) The notes of the Administrator to the Secretary of the Treasury to obtain funds for loans under sections 4, 5, and 201 of this Act, and all other liabilities against the appropriations or assets in the fund in connection with electrification and telephone loan operations shall be liabilities of the fund, and all other obligations against such appropriations or assets in the fund arising out of electrification and telephone loan operations shall be obligations of the fund.

"(b) The assets of the fund shall be available only for the following purposes:

"(1) loans which could be insured under this title, and for advances in connection with such loans and loans previously made, as of the effective date of this title, as revised herein, under sections 4, 5, and 201 of this Act;

"(2) payment of principal when due on outstanding loans to the Administrator from the Secretary of the Treasury for electrification and telephone purposes pursuant to section 3(a) of this Act and payment of principal and interest when due on loans to the Administrator from the Secretary of the Treasury pursuant to section 304(a) of this title;

"(3) payment of amounts to which the holder of notes is entitled on insured loans: *Provided*, That payments other than final payments need not be remitted to the holder until due or until the next agreed annual, semiannual, or quarterly remittance date;

"(4) payment to the holder of insured notes of any defaulted installment or, upon assignment of the note to the Administrator at his request, the entire balance due on the note;

"(5) purchase of notes in accordance with contracts of insurance entered into by the Administrator;

"(6) payment in compliance with contracts of guarantee;

"(7) payment of taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application, and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, expenses for necessary services, including construction inspections, commercial appraisals, loan servicing, consulting business advisory or other commercial and technical services, and other program services, and other expenses and advances authorized in section 7 of this Act in connection with insured loans. Such items may be paid in connection with guaranteed loans after or in connection with the acquisition of such loans or security thereof after default, to the extent determined to be necessary to protect the interest of the Government, or in connection with any other activity authorized in this Act;

"(8) payment of the purchase price and any costs and expenses incurred in connection with the purchase, acquisition, or opera-

tion of property pursuant to section 7 of this Act.

SEC. 303. DEPOSIT OF FUND MONEYS.—Moneys in the fund shall remain on deposit in the Treasury of the United States until disbursed.

SEC. 304. FINANCIAL TRANSACTIONS OF THE FUND.—(a) The Administrator is authorized to make and issue interim notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations of the fund and for making loans, advances and authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be agreed upon by the Administrator and the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Administrator under this section. The Secretary of the Treasury is authorized and directed to purchase any notes of the Administrator issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Administrator. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States: *Provided*, however, That such interim notes to the Secretary of the Treasury shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) The Secretary of the Treasury is authorized and directed to purchase for resale obligations insured through the fund when offered by the Administrator. Such resales shall be upon such terms and conditions as the Secretary of the Treasury shall determine. Purchases and resales by the Secretary of the Treasury hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(c) The Secretary of the Treasury is authorized and directed to purchase for resale obligations insured through the fund when offered by the Administrator. Such resales shall be upon such terms and conditions as the Secretary of the Treasury shall determine. Purchases and resales by the Secretary of the Treasury hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(d) The Administrator may, on an insured basis or otherwise, sell and assign any notes in the fund or sell certificates of beneficial ownership therein to the Secretary of the Treasury or in the private market. Any sale by the Administrator of notes individually or in blocks shall be treated as a sale of assets for the purposes of the Budget and Accounting Act, 1921, notwithstanding the fact that the Administrator, under an agreement with the purchaser or purchasers, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser or purchasers of the individual note or of the certificate of beneficial ownership in a number of such notes. Security instruments taken by the Administrator in connection with any notes in the fund may constitute liens running to the United States notwithstanding the fact that such notes may be thereafter held by purchasers thereof.

SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.—(a) The Administrator is authorized and directed to make insured loans under this title and at the interest rates hereinafter provided to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by the Congress of the

United States for loans to be made in any one year, which amounts shall remain available until expended: *Provided*, That any such loans and advances shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

"(b) Insured loans made under this title shall bear interest at either 2 per centum per annum (hereinafter called the 'special rate'), or 5 per centum per annum (hereinafter called the 'standard rate'). Loans bearing the special rate shall be reserved for and made by the Administrator to the full extent of the authorities contained herein for any electric or telephone borrower which meets either of the following conditions:

"(1) has an average consumer or subscriber density of two or fewer per mile, or

"(2) has an average gross revenue per mile which is at least \$450 below the average gross revenue per mile of REA-financed electric systems, in the case of electric borrowers, or at least \$300 below the average gross revenue per mile of REA-financed telephone systems, in the case of telephone borrowers: *Provided*, however, That the Administrator may, in his sole discretion, make a loan at the special rate if he finds that the borrower:

"(A) has experienced extenuating circumstances or extreme hardship;

"(B) cannot, in accordance with generally accepted management and accounting principles, produce net income or margins before interest of at least equal to 150 per centum of its total interest requirements on all outstanding and proposed loans with an interest rate greater than 2 per centum per annum on the entire current loan, and still meet the objectives of the Act, or

"(C) cannot, in accordance with generally accepted management and accounting principles and without an excessive increase in the rates charged by such borrowers to their consumers or subscribers, provide service consistent with the objectives of the Act.

"(c) Loans made under this section shall be insured by the Administrator when purchased by a lender. As used in this Act, an insured loan is one which is made, held, and serviced by the Administrator, and sold and insured by the Administrator hereunder; such loans shall be sold and insured by the Administrator without undue delay.

SEC. 306. GUARANTEED LOANS; ACCOMMODATION AND SUBORDINATION OF LIENS.—The Administrator may provide financial assistance to borrowers for purposes provided in the Rural Electrification Act of 1936, as amended, by guaranteeing loans, in the full amount thereof, made by the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation, and any other legally organized lending agency, or by accommodating or subordinating liens or mortgages in the fund held by the Administrator as owner or as trustee or custodian for purchasers of notes from the fund, or by any combination of such guarantee, accommodation, or subordination. No fees or charges shall be assessed for any such guarantee, accommodation, or subordination. Guaranteed loans shall bear interest at the rate agreed upon by the borrower and the lender. Guaranteed loans, and accommodation and subordination of liens or mortgages, may be made concurrently with a loan insured at the standard rate. The amount of guaranteed loans shall be subject only to such limitations as to amounts as may be authorized from time to time by the Congress of the United States: *Provided*, That any amounts guaranteed hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States. As used in this title a guaranteed

loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Administrator hereunder.

SEC. 307. OTHER FINANCING.—When it appears to the Administrator that the loan applicant is able to obtain a loan for part of his credit needs from a responsible cooperative or other credit source at reasonable rates and terms consistent with the loan applicant's ability to pay and the achievement of the Act's objectives, he may request the loan applicant to apply for and accept such a loan concurrently with a loan insured at the standard rate, subject, however, to full use being made by the Administrator of the funds made available hereunder for such insured loans under this title.

SEC. 308. FULL FAITH AND CREDIT OF THE UNITED STATES.—Any contract of insurance or guarantee executed by the Administrator under this title shall be an obligation supported by the full faith and credit of the United States and uncontested except for fraud or misrepresentation of which the holder has actual knowledge.

SEC. 309. LOAN TERMS AND CONDITIONS.—Loans made from or insured through the fund shall be for the same purposes and on the same terms and conditions as are provided for loans in titles I and II of this Act except as otherwise provided in sections 303 to 308 inclusive.

SEC. 310. REFINANCING OF RURAL DEVELOPMENT ACT LOANS.—At the request of the borrower, the Administrator is authorized and directed to refinance with loans which may be insured under this Act, any loans made for rural electric and telephone facilities under any provision of the Consolidated Farm and Rural Development Act."

SEC. 3. Section 3(f) of the Rural Electrification Act of 1936, as amended, is amended by striking "Except as otherwise provided in sections 301 and 406(a) of this Act," and by inserting ", Provided, however, That notwithstanding subsection (a) of this section, payments of such loans heretofore or hereafter made to the Administrator for use in making loans to borrowers under titles I and II shall not include any interest" immediately before the semicolon.

SEC. 4. Section 405 of the Rural Electrification Act of 1936, as amended, is further amended by striking subsection (e) in its entirety and by inserting in lieu thereof a new subsection (e), as follows:

"(e) Thereafter, the cooperative-type entities and organizations holding class B and class C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class; and the commercial-type entities and organizations holding class B and class C stock, voting as a separate class, shall elect three directors to represent their class by a majority vote of the stockholders voting in such class. Limited proxy voting may be permitted, as authorized by the bylaws of the telephone bank. Cumulative voting shall not be permitted."

SEC. 5. The second sentence of section 406(a) of the Rural Electrification Act of 1936, as amended, is further amended by striking "from net collection proceeds in the rural telephone account created under title III of this Act" immediately after the word "appropriated".

SEC. 6. Subsection (a) of section 407 of the Rural Electrification Act of 1936, as amended, is amended by striking out "eight" in the second sentence and inserting in lieu thereof of "twenty", and by striking out all of the third sentence.

SEC. 7. Section 407 of the Rural Electrification Act of 1936, as amended, is amended by adding a new subsection (c) as follows:

"(c) Purchases and resales by the Secretary of the Treasury as authorized in subsection (b) of this section shall not be included in the totals of the budget of the United

States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

Sec. 8. Subsection (a) of section 408 of the Rural Electrification Act of 1936, as amended, is amended (a) by inserting the words "or which have been certified by the Administrator to be eligible for such a loan or loan commitment," immediately following the term "this Act," where it first appears; and (b) by adding at the end thereof the following sentence: "Loans and advances made under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States."

Sec. 9. Subsection (b) of section 408 of the Rural Electrification Act of 1936, as amended, is amended by striking out all of paragraph (3) and inserting in lieu thereof a new paragraph (3) reading:

"(3) Loans under this section shall bear interest at the 'cost of money rate.' The cost of money rate is defined as the average cost of moneys to the telephone bank as determined by the Governor, but not less than 5 per centum per annum."

Sec. 10. No funds provided under The Rural Electrification Act of 1936, as amended, shall be used outside the United States or any of its possessions.

Sec. 11. The right to repeal, alter, or amend this Act is expressly reserved.

Sec. 12. This Act shall take effect upon enactment.

The motion was agreed to.

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

The title was amended so as to read: "An act to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 5683) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill (S. 394) and request a conference with the Senate thereon.

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

There was no objection.

The SPEAKER. The Chair appoints the following conferees: MESSRS. POAGE, STUBBLEFIELD, SISK, DENHOLM, LEAGUE OF CALIFORNIA, WAMPLER, and GOODLING.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislation days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

ADDITION TO LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

MR. ARENDS. Mr. Speaker, I take this time for the purpose of asking the majority whip if there is any other program for the balance of this week and what we may possibly anticipate next week.

MR. McFALL. Mr. Speaker, in response to the question of the distinguished minority whip, Mr. ARENDS, I announce that on tomorrow we shall call up House Resolution 340, authorizing additional investigative authority to the Committee on Interior and Insular Affairs.

With regard to the program for next week, I believe the gentleman from Illinois has reference to the possible vote on the veto.

Mr. ARENDS. Yes.

MR. McFALL. If our information is correct that the President is going to veto the bill today or tomorrow, the veto message will be up here tomorrow. It is our intention that the veto would be acted upon as the first item of business on Tuesday next.

Mr. ARENDS. I thank the gentleman.

PERSONAL ANNOUNCEMENT

MR. FOUNTAIN. Mr. Speaker, on roll-call No. 63, on Monday, April 2, 1973, following consideration of H.R. 3153, entitled Technical and Conforming Changes in the Social Security Act, I am not recorded as having voted.

I was present, and I inserted my voting card in the proper slot, and I pushed the "yea" button, and removed the card, thinking that I had voted for the bill and had been recorded.

I am advised that I probably did not hold my voting card in the slot long enough to get recorded.

At any rate, even though the bill passed by a vote of 340 yeas to 1 nay, I would like for the Record to show that had my vote been recorded it would have been "yea" in favor of the bill.

CITIZENS FOR CONTROL OF FEDERAL SPENDING

(Mr. FROEHLICH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

MR. FROEHLICH. Mr. Speaker, I can think of no more appropriate time than following yesterday's action by the Senate to sustain the President's first veto of the 93d Congress, to call to the attention of my colleagues an ad which appeared in yesterday morning's Washington Post. Sponsored by the newly formed Citizens for Control of Federal Spending, the ad calls on all citizens to "join the fight to control spending, taxes, and inflation." It wholeheartedly endorses the President's proposed spending limits which "will, unless breached by irresponsible spending, prevent tax increases, curb inflation, and pay for Federal programs which have proved to be effective."

The ad is signed by 81 national business, labor, professional, and civil leaders—a testimony to the favorable re-

sponse this organization has already received. I know it will strike a responsive chord throughout the country and that it will mobilize the American people to take an activist role in pressuring the Congress to adopt spending limits the country can afford.

In fact, I wonder if it is not more than just coincidence that the Senate's surprising action yesterday followed, by only a few hours, the announcement by this organization of its intent to make known to the Congress the views of the Nation's taxpayers in opposition to irresponsible spending, rising taxes, and inflation.

The spokesman for this group, and one of its cochairmen, is a man who is respected and admired by all of us in the Congress. He has been, for a number of years, the leading Republican spokesman for economy in government and sound fiscal practices. His reputation for intelligence and integrity and just plain hard work serves as an example to be revered and emulated. He is John W. Byrnes.

John Byrnes was my predecessor. He represented the people of northeastern Wisconsin, with courage and dedication, for 28 years. His record is one of accomplishment. I do not mind telling you, he is a hard act to follow.

When John Byrnes speaks, people listen. He is speaking to us now. He is telling us that the time to act against uncontrolled and excessive spending is now.

I intend to listen. The Senate has already listened. I hope they will continue to listen and that all of you will listen to him, too.

The advertisement follows:

[Advertisement from the Washington Post, Apr. 3, 1973]

KEEP THE LID ON TAXES AND PRICES—WE SUPPORT PRESIDENTIAL AND CONGRESSIONAL EFFORTS TO CONTROL FEDERAL SPENDING

Americans have always had the ability to unite in order to accomplish great goals. As we now move to a peacetime economy, our nation needs a strong, viable government free of irresponsible spending and rising taxes and inflation. We can achieve this goal if Americans unite—if we let our representatives in Washington know that this is what we want.

Your elected representatives—your Senators and Congressmen in Washington—depend on you for guidance. They know how you feel only if you tell them. All too often, many of us take the democratic process for granted—we assume that our representatives already know what we think, even though we haven't told them. And when this happens, the voices of a few special interests can have more effect than the will of millions of citizens.

The issue of taxes and inflation affects each of us personally. Uncontrolled federal spending over the next three fiscal years could force a tax increase of as much as fifteen percent, or cause a new wave of crippling inflation. Yet we can have a budget which avoids excessive spending, requires no new taxes, and still provides sufficient funding for necessary programs. The President has proposed one such budget. Supported by responsible members of Congress, it would limit federal spending to \$250 billion in fiscal year 1973, \$268.7 billion in fiscal 1974, and \$288 billion in fiscal 1975. These limits, unless breached by irresponsible spending, will prevent tax increases, curb inflation and pay for federal programs which have proved to be effective.

A responsible spending program does not involve any turning back of the clock. The President's budget, for one example, provides the greatest sum ever committed for human resources. Compared to four years ago, it would spend 71 percent more to assist older Americans, 67 percent more to help the sick, 66 percent more for the poor, and more than twice as much to feed the hungry and undernourished. Four years ago, 41% of the federal budget was spent on Defense, and only 37% for Human Resources. Today the priorities have been reversed: 47% goes to Human Resources and only 30 percent for Defense.

The goal of no new taxes can be reached—without inflation—only if Congress and the Executive cooperate by trimming unnecessary spending and by terminating programs which either aren't working at all or haven't justified their expense. Tax money should only be used for responsible programs that do work.

We can't afford to take the democratic process for granted in this crucial matter. Take a few minutes to let your Congressman and your Senator know how you feel about spending and taxes; ask your friends to help by communicating their views. If you would like more information, write to Citizens for Control of Federal Spending. You owe it to yourself to join the fight—to control spending, taxes and inflation.

CITIZENS FOR CONTROL OF FEDERAL SPENDING

Chairman: David Packard, Chairman, Hewlett-Packard.

Co-Chairmen: John W. Byrnes, former Member of Congress; James Roosevelt, former Member of Congress.

Vice-Chairmen: Max Fisher, Chairman, Fisher-New Center Company; Mrs. Kermit V. Haugan, President, General Federation of Women's Clubs; Donald M. Kendall, Chairman, PepsiCo Inc.; Paul W. McCracken, Former Chairman, President's Council of Economic Advisers; W. Allen Wallis, Economist, Rochester, New York.

T. M. Alexander, Sr., President, Alexander & Associates.

Dr. Martin Anderson, Senior Fellow-Hoover Institution, Stanford University.

R. Anderson, President, Rockwell International Corp.

E. M. Black, Chairman of the Board, United Brands Company.

Roger M. Blough, White & Case.

Fred J. Borch, Retired Chairman, General Electric Company.

Gene E. Bradley, President, Int'l. Management & Development Institute.

Leonard Briscoe, City Councilman, Ft. Worth, Texas.

Robert J. Brown, Chairman of the Board, B & C Associates, Inc.

Yale Brozen, Professor, University of Chicago.

Louis W. Cabot, Chairman, Cabot Corporation.

Norman Cashners, Chairman, Cashners Publishing Company.

Dr. W. Glenn Campbell, Director, Hoover Institution, Stanford University.

Patrick Carr, Commander in Chief, Veterans of Foreign Wars.

George Champion, Chairman and President, Economic Development Council of New York City.

Albert L. Cole, Vice President & Director Reader's Digest.

John Collins, Former Mayor of Boston.

John T. Connor, Chairman of the Board, Allied Chemical Corporation.

C. W. Cook, Chairman, General Foods Corporation.

Edward W. Cook, President, Cook Industries, Inc.

Stewart S. Cort, Chairman, Bethlehem Steel Corporation.

Ellwood F. Curtis, President, Deere & Company.

Dr. Maurice A. Dawkins, Executive Vice

Chairman, Opportunities Industrialization Centers of America.

Russell De Young, Chairman of the Board, The Goodyear Tire Rubber Co.

C. Douglas Dillon, Former Secretary of the Treasury.

Roy V. Edwards, Chairman, Wilson & Co., Inc.

Walter A. Fallon, President, Eastman Kodak Company.

Edmund B. Fitzgerald, Chairman, Cutler-Hammer, Inc.

Frank E. Fitzsimmons, General President, Int'l. Brotherhood of Teamsters.

Johnny Ford, Mayor, City of Tuskegee, Alabama.

Henry Rowler, Former Secretary of the Treasury.

W. H. Franklin, Chairman, Caterpillar Tractor Co.

Henry Gadsden, Chairman, Merck & Co., Inc.

A. H. Galloway, Chairman, R. J. Reynolds Industries, Inc.

C. C. Garvin, Jr., President, Exxon Corporation.

Patrick E. Haggerty, Chairman, Texas Instruments Incorporated.

Floyd D. Hall, Chairman & Chief Executive Officer, Eastern Airlines.

John D. Harper, Chairman, Aluminum Company of America.

H. S. Houthakker, Harvard University.

Frederick G. Jaicks, Chairman, Inland Steel Company.

Elaine Jenkins, President, One America, Inc.

Howard Johnson, Chairman of the Corporation, Massachusetts Institute of Technology.

Erik Jonsson, former Mayor of Dallas, Texas.

Thomas V. Jones, Chairman of the Board & President, Northrop Corporation.

Edgar F. Kaiser.

Dr. Asa S. Knowles, President Northeastern University.

Franklin A. Lindsay, President, ITEK Corporation.

Hobart Lewis, President, Reader's Digest.

Henry Lucas, Jr., D.D.S., San Francisco, California.

Winston W. Marsh, President, American Society of Association Executives; Executive Vice President, Nat'l. Tire Dealers & Retreaders Association.

S. M. McAshan, Jr., Chairman, Anderson, Clayton & Co.

Sanford N. McDonnell, President & Chief Executive Officer, McDonnell Douglas Corporation.

Gordon M. Metcalf, former Chairman, Sears, Roebuck and Company.

Paul L. Miller, President, The First Boston Corporation.

Howard Morgens, Chairman, Procter & Gamble.

Raymond J. Saulnier, Professor of Economics, Barnard College.

Franklin D. Schurz, Sr., President, South Bend Newspapers.

C. A. Scott, Publisher, Atlanta Daily World.

Dr. Frederick Seitz, President, Rockefeller University.

Theodore A. Serrill, Executive Vice President, National Newspaper Association.

Louise Shadduck, President, National Federation of Press Women.

C. D. Siverd, Chairman, American Cyanamid Co.

John F. Small, President, John F. Small, Inc.

Reverend Roland Smith, Citizens Trust Bank of Atlanta.

Charles H. Sommer, Jr., Chairman, Monsanto Company.

Paul Thayer, Chairman, The LTV Corporation.

Charles C. Tillinghast, Jr., Chairman, Trans World Airlines, Inc.

Joseph P. Tonelli, President, United Paperworkers International Union.
 Murray L. Weidenbaum, former Assistant Secretary of the Treasury.
 Louie Welch, Mayor, City of Houston, Texas.
 Samuel D. Winer, President, Jaycees.
 R. G. Wingerter, President, Libbey-Owens-Ford Company.
 Bryce N. Harlow, Legislative Consultant.
 H. Lee Choate, Executive Director, 1629 K Street, N.W., Washington, D.C. 20006.
 (Affiliations listed for identification only.)

THE VIETNAM VETERAN—EMPLOYMENT OR UNEMPLOYMENT?

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, a Washington Post article by Lou Cannon in the March 25 issue quotes President Nixon as saying in Key Biscayne, Fla., on March 24:

With our men home from Vietnam and with the reductions we have been able to make elsewhere in our armed forces, thousands of young veterans are returning to civilian life. They ask no special privileges or favors but they expect—and they deserve—full respect and full economic opportunity.

Let us give them the warm welcome they deserve. Let us welcome them back not only with open arms but with open opportunities, with sincere respect and with the chance to play important roles in every phase of community life.

The Emergency Employment Act of 1971, Public Law 92-54, set up the public employment program to create jobs providing needed public services during times of high unemployment. Special consideration was given to Korean and Vietnam veterans in filling these jobs.

According to recent Labor Department figures, 61,272 Vietnam-era veterans participated in the public employment program during the period September 1971 through November 30, 1972. This represents 27 percent of the total enrollees. The total number of veterans enrolled in the program during this period is 93,102, which is 41 percent of all enrollees.

The Bureau of Labor Statistics released the following unemployment figures for Vietnam-era veterans for February 1973, which are the latest to date:

Age group 20 to 29: 309,000 unemployed Vietnam veterans.

Age group 30 to 34: 32,040 unemployed Vietnam veterans.

This means that as of February of this year, there were close to 350,000 unemployed Vietnam veterans in our Nation. And, Mr. Speaker, with the cessation of our military involvement in Vietnam, and the return of more of our servicemen and our prisoners of war, this number is bound to increase.

Obviously, this program has worked well for our returning veterans, as well as many other unemployed and underemployed in our country. The act is due to expire on June 30, 1973, and today, the Select Subcommittee on Labor, of which I am chairman, reported H.R. 4204, as amended, to extend this program for an additional 2 years.

In 7 days of hearings held by my sub-

committee during February and March, the Emergency Employment Act received the praises of the National League of Cities and the U.S. Conference of Mayors, the AFL-CIO, the National Association of Counties, and many others. All expressed their support of my proposed 2-year extension.

Mr. Speaker, I wholeheartedly agree with the President when he says these Vietnam-era veterans deserve "full respect and full economic opportunity." How better can this be achieved than by assuring them the opportunity of substantial employment? How better can the latter be achieved than by extending the Emergency Employment Act?

BANK CHECKS AND PRIVACY

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

Mr. ADDABBO. Mr. Speaker, the individual's right to privacy is undergoing another challenge under a Federal law requiring banks to microfilm and store all checks. The Treasury Department has recently issued final regulations under the Foreign Bank Secrecy Act which exempts from the record storing provisions of that law all checks issued in amounts less than \$100. That exemption itself is a concession to the danger of invasion of privacy by the Treasury Department and should be considered by this body as a warning signal that this collection of information poses a very real potential for abuse.

The Foreign Bank Secrecy Act was passed by this body without a negative vote. The legislation was supported as a tool in the fight against crime and for the most part it was sound legislation. This one loophole in the law does present a serious threat to personal privacy, however, and it is up to this body to now close that loophole by making it clear that no wholesale license for snooping was intended.

The microfilmed records of personal and corporate checks will multiply and increase each month and I submit to my colleagues in the House that the danger of abuse of privacy will also multiply and increase each month. Under present law a Federal agency, such as the Internal Revenue Service or the Department of Justice may issue an administrative subpoena and thereby obtain copies of bank checks. A banking institution may decide to simply cooperate by providing copies to the agency involved without the issuance of a subpoena.

I find this procedure and the resulting invasion of privacy most disturbing and I plan to draft and introduce legislation to protect the individual from fishing expedition and unwarranted invasions of privacy. The legislation which I will sponsor would prohibit banks from making copies of checks available to anyone or any agency unless a court-ordered subpoena has been obtained based on a preliminary showing that a crime has been committed and reasonable cause to believe the checks in question are pertinent to the investigation of that crime.

The personal financial dealings of millions of Americans are not the proper

subject for Government snooping. If that kind of fishing expedition is allowed, the innocent as well as the guilty will suffer an intolerable invasion of privacy.

FOOD COSTS FOR CONSUMERS MATCH FARM COSTS FOR PRODUCERS

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

Mr. MELCHER. Mr. Speaker, are agricultural prices a bonanza for farmers and ranchers? The true answer is "no," yet currently some commodities are selling at record prices.

But costs have risen, too, and in almost every item there is a record high for the overhead that goes into the production of grains and livestock for American farmers and ranchers.

Let us trace first the increase in grain prices. This started with mother nature when a very serious drought in Russia brought her to the United States to buy from the United States last year over 400 million bushels of wheat and sizable portions of feed grains. Droughts in China and India and poor grain harvests in Australia and Argentina also were factors in creating a broader demand for U.S. grains. In wheat and feed grains alone we sold \$2 billion abroad—\$965 million in wheat and \$1.1 billion in feed grains. Grain prices responded in upward price trends.

For grain farmers increased prices were a must because prior to 1972 wheat and feed grain prices hovered near or below the actual price of production. Inflation has been especially cruel for agricultural producers because of their narrow cost-price margins prior to 1972. The number of farms and ranches in the United States has been declining because too many operators could not make a living in agriculture and had to seek gainful employment in other occupations. For those who stayed on the land the only out was increased debt. The total agricultural debt in 1950 of \$12.4 billion climbed steadily, doubling to \$24.8 billion in 1960 and more than doubling again to \$66.9 billion in 1972. With that kind of debt, the farmers and ranchers are going to have to have good prices for their raw agricultural commodities in order to keep their operations in the black. Grain prices have reached that point now but we must keep in mind that costs continue to rise, too.

Let us turn to livestock. Meat prices have been particularly singled out by consumers as a real high price culprit forcing up the American food basket cost. Talk about roll back of prices as being desirable for consumers is very misleading because it would work to their detriment within a year or two.

The fact is that world supplies of red meats are not keeping up with demands. The average per capita consumption in the United States of red meat is close to 190 pounds per year.

Here are a few examples of average per capita consumption of red meats including horsemeat in other countries: England, 143 pounds; France, 140 pounds; Italy, 75 pounds; Japan, 27

pounds. These countries are increasingly affluent and the people are increasing their consumption of red meats. Our neighbors to the south such as Mexico with an average consumption of 39 pounds; Costa Rica, 34; and Honduras, 21 are in stark contrast with ourselves and Canada with 164 pounds. It should be obvious to all of us that red meat consumption will increase in all countries as they become more affluent. I point these facts out to demonstrate that red meats are in demand around the world.

Dollar devaluation is another factor in meat prices. It has meant automatic increases in the prices of foreign meat imports into this country. The President has lifted the quotas on fresh beef and mutton for the past several years which means any country can sell us all the meat they want.

Following the U.S. dollar devaluation recently, Australia withdrew all offers of boneless meat and stayed out of the market about 10 days. Then they came back with offers 10 cents and 11 cents a pound higher than before.

We get 1.8 billion pounds of our red meat—or 8 to 10 percent—in imports. Any drop in the imports would make us run very short.

When Australian meat does not come in—or any other foreign meat—the buyers bid for U.S. meat. It goes up until prices get high enough to bring in the imports. To satisfy consumer demand we now have to have the imported stuff. Therefore our prices go up to the level that will bring it in. It is obvious that dollar devaluation has been a factor pushing U.S. meats higher.

There has not been a significant amount of meat products exported from this country but it is certain that with the growing world demand for red meats foreign interests will be more active in purchasing American meat products. For example, Japanese buyers for several weeks have been negotiating for large purchases of pork here in the United States. Canadian interests often purchase slaughter cattle from U.S. producers. Dollar devaluation, of course, now makes our pork more attractive to Japan and U.S. cattle cheaper for our Canadian neighbors.

In contrast, the cattle we import from Mexico that end up in American feed lots to be fattened and slaughtered here are costing U.S. buyers considerably more this year than last year. The cost is \$8 to \$12 higher per hundredweight for these Mexican cattle this year than last year or an increase of about 15 to 20 percent. We imported three-fourths of a million cattle from Mexico in 1971 and almost a million in 1972 and the additional cost involved makes even these cattle eventually cost more for American consumers.

Cattle prices historically move up and down in cycles. One of the high points was 1951, and it is interesting to note that if the price of a slaughter steer had advanced since then as much as first-class postage instead of bringing \$42 to \$44 per hundredweight as it brings today, that steer would be selling for \$72 per hundredweight. If it advanced as much as pay for workers, the steer would bring \$80.69 per hundredweight.

If the steer was up as much as the cost of having a baby it would be \$119 and it would be \$170 per hundredweight if it went up as much as hospital costs have risen.

How much does beef run in other countries? U.S. beef prices are pretty much in the middle. Our beef is more expensive than it is in Australia, Argentina, or Uruguay.

However, in Holland meat from lower grades of cattle brings \$46 to \$47 per hundredweight and in Italy again with lower grades of cattle beef is \$62 per hundredweight, almost twice as much as comparable grade and quality here in this country.

Overall supplies of U.S. beef cannot meet the current domestic demand without imports. But with relaxation of the quotas it is apparent that for the present increased supplies of imported meat are not likely to increase U.S. supplies substantially. All foreign meat plants that are licensed to sell meat in this country are supposed to meet U.S. standards on health and sanitation inspection. The General Accounting Office report last year covering some 80 foreign plants inspected showed that almost one-third of them were delicensed because of gross lack of sanitation. It is apparent that pressure to bring in more imported meat may well result in licensing of inferior and unsanitary plants.

Additional supplies of beef for U.S. consumers are available in time through gradual expansion of domestic livestock herds. At current level of prices producers would be encouraged to increase their livestock numbers.

The freeze announced Thursday night by President Nixon on the price of meat may stabilize the retail costs for consumers but it does nothing to stabilize the costs of producers. As costs of meat processors, retailers and wholesalers climb, with the ceiling on prices, those costs will have to be taken away from the price paid producers for the livestock. The producer simply will be at the bottom of the totem pole and everyone above him in the meat processing ladder from the packer to the chain store will pass their additional costs back to him so that he gets less for his livestock.

But the farmers and ranchers costs are going to increase, too. Not only do their costs increase in labor, transportation, taxes, machinery, but also in the cost of living for their own families just like other consumers in the United States. In addition, the higher prices for grains affects them too and makes the cost of feeding the livestock to slaughter conditions a more costly operation. I mention the increase in corn prices because it is one of the basic feeds for both cattle and hogs. But other feed grains have increased in value, too, and for the cattle or hog feeder this means an increase in his cost of production.

As I described earlier, it was necessary for grain farmers to get an increase in grain prices or they would continue to have gone out of business from lack of income. Yet the very increases in grain prices has added substantially to the increased costs in fattening livestock.

High protein supplements are also used in rations for cattle and feeding—one of

the sources is soybean meal. Soybeans this year, because of a limited crop and higher exports are selling currently for \$5.63 per bushel—up from last year's \$3.47. Soybean meal was selling for \$92 per ton last year and is now \$182 per ton this year. This is another example of rapidly increasing costs for the producers feeding.

The sensible, sound way of stabilizing meat prices will have to be a gradual increase in livestock numbers. Current prices for livestock, if unhampered by too much Government interference, could encourage producers to expand their numbers. Producers in turn must be assured of stabilizing their costs. The President did not address himself to that problem in his Thursday night speech announcing meat price controls. Phase III is not stabilizing costs for the agricultural producers. The President's actions of freezing meat prices will not be successful unless he in turn has a plan to stabilize production costs.

SUMMARY

To summarize, dollar devaluation has made imported meat higher and imported cattle higher. Both resulted in higher consumer meat prices.

World supplies of red meats are not keeping up with demand. As they become more affluent, countries with low meat protein diets will increase in per capita consumption. Starting from average consumption ranging down as low as 19 pounds those countries will need a greater portion of world supplies.

U.S. supplies of red meats are not sufficient to meet consumer demands without the current level of imported meats. Increases in meat imports of substantial quantities are unlikely since the President has suspended quotas for the past 3 years which has not resulted in great increases of available supplies. Furthermore, based on General Accounting Office investigations it is questionable that all the foreign meat plants licensed to sell meat in this country meet our rigid standards for sanitation and wholesomeness.

Costs for producers have risen and current level prices while at record highs now also must be considered in light of record high costs. Encouragement to increase supplies is stymied by the President's action freezing the prices at this level and forcing processors, wholesalers and retailers to pass any future added costs that they encounter back down to the producer, which will eventually lower the prices they receive without lowering the price to the consumer.

AMNESTY AND THE NATIONAL PSYCHE

The SPEAKER pro tempore (Mr. MATSUNAGA). Under a previous order of the House, the gentleman from New York (Mr. ROBISON) is recognized for 30 minutes.

Mr. ROBISON of New York. Mr. Speaker, it is said that in 1864, during one of the countless informal parleys that occurred between Union and Confederate soldiers during the Civil War, the Yankees and Rebels present got into a political discussion. One of the Southerners asked a Federal whom he was

going to vote for in the 1864 Presidential election, and the man said he thought he would vote for Lincoln. "He," said the Confederate, "is a damned abolitionist." Whereupon the two promptly began a fistfight which officers of both sides had to break up. As Civil War historian Bruce Catton has noted, men who could indulge in fistfights over political issues—with their partisan watching—while at war with one another, could scarcely be considered sworn enemies for untold generations to come.

This attitude of underlying national unity was reflected in the Union's reintegration of the defeated Confederacy into American national life. By the savage standards of human history, where the usual punishment for unsuccessful revolt has been, and often still is, mass execution, confinement, confiscation of property, imprisonment, or exile, the American Civil War ended with almost unbelievable reconciliation. The tragic nature of Lincoln's death may have had something to do with this but, by 1868, all restrictions, save the right to hold public office, had been removed from all Confederate military personnel and civil officials, and even this one restriction applied to comparatively few individuals. Americans have always been proud of this: few people regret General Grant's pardon for the Army of Northern Virginia at Appomattox, with his specific provision that former Confederate soldiers be given enough draft animals with which to "work their little farms."

The presence of a common social bond—sensed by Lincoln more than anybody else—indicated the desirability of attempts at reconciliation, for it was recognized that such attempts need not be futile; and, the reconciliation which took place after the Civil War was aided by the constitutional tradition of the American people. The rebellion itself was unconstitutional or, at the very least, extra-constitutional. But once begun, the Confederacy organized itself, and conducted itself, as a democracy, with popularly elected legislators and chief executives. The form of government and the participation of citizens in its administration were not in dispute. The Confederacy did not raise a rallying cry of social revolution; it cut across social and class lines.

Once the right to revolt was denied, and the right to enslave crushed by force of arms, no cultural gaps remained between victors and vanquished. The North and the South worshiped the same God, governed themselves in like fashion, and spoke the same language. Because this was also true of the newly freed blacks, there were no mass pogroms and killings such as those which were frequently inflicted on subjugated minorities. In short, though reconciliation was effected by individuals out of good will, it was made possible only by a framework of social concepts shared by both North and South. Had there been no such framework shared, no amount of good will or leniency on the part of the victors would have placated the defeated Confederacy.

This past weekend's events marked, to all intents and purposes, the end of the Vietnam war—at least for the people of the United States. Will there be a similar

period of reconciliation of opposing factions—an effort, to borrow from Lincoln, to "bind up the Nation's wounds?"

Eventually, central to the answer to that question—and whether we like it or not—will be the unresolved issues involved in the debate about something called "amnesty."

The prior question to any amnesty is probably the same: "Do divided groups share enough of a common bond—hawks and doves, in today's context, or draft-dodgers and soldiers, old and young, and majority and minority viewpoints—to allow amnesty for those who resisted a war; and can such amnesty proceed without destroying the legitimacy and intangible authority of our Government and institutions?" If this question is, in fact, an essential criterion, and if it can be answered affirmatively, few Americans will hold that the Nation should be deliberately divided any further; and, with history as a guide, citizens and their leaders will be impelled to look for that common ground of reconciliation. We must then ask: "Can that common ground exist, today?"

First, in terms of numbers, the maximum number of those individuals who could be considered for amnesty, at least on the basis of existing requirements for conscientious objection is not that great. There are here no powerful, armed groups of roughly equal size in contention. This sort of amnesty would, therefore, be primarily a symbolic gesture—even if it involved some form of alternative service—rather than appearing to be a capitulation by a weak government to a powerful mass movement. Second, those individuals who might be considered for such an amnesty have not been involved in the wholesale revolt against the United States. They have taken passive, not active, issue with a particular action of their country. For the most part they fled or evaded for personal, and thus separate, reasons, and they can and should be approached as individuals.

Perhaps the most persuasive evidence that reconciliation within a common framework is possible, however, is evidenced by the present mood of the United States. While far fewer lives have been lost in Vietnam than in the Civil War, there is the same sense, noted to the point of redundancy in public commentary, of "all passions spent". Public discontent and divisiveness reached a peak between 1968 and 1970; since then, the gradual withdrawal of the United States from the theater-of-war in Indochina, coupled with a shift of sentiment in all segments of the population toward supporting the President in completing that withdrawal, has to a great degree re-established a national consensus that did not exist between 1967 and 1970. The turmoil of the late 1960's energized all Americans, and produced a willingness to be done with conflict and to be rid of internal moralizing, self-righteousness, and dissension. The number of those people who might be granted amnesty as previously unrecognized conscientious objectors is so comparatively small, and the desire of the American people to forget about Vietnam so great, that the major reaction of the public to such an amnesty is likely to be tranquil and even indifferent, once the initial hue and cry on both

sides has subsided. Amnesty could, thus, be another step in the process of reconciliation—not a daring stroke taken by a trembling government in the face of a truculent minority that threatens our institutions, but a display of magnanimity and governmental self-confidence. Only a strong and self-assured government can afford to forgive, weak regimes cannot afford to bend an inch.

Mr. Speaker, many Americans and many more of our ancestors came from parts of the world where blood feuds had raged for centuries. Yet in spite of this, or perhaps because of this, we have always tended to look toward the future rather than nurture grudges of the past. We have usually viewed differences of opinion as temporary matters to be set aside when superseded by new problems, or when rendered irrelevant by the course of events. We are only now maturing as a nation and only recently has our history begun to acquire some of the richness of age. I suggest it would be regrettable if we were to begin to display a preoccupation with the past, and put aside a willingness to start anew which marks the process of national and cultural maturity.

Mr. Speaker, with you and others I noted our President's reference, again last Thursday night, to his opposition to "amnesty," as such. I respect his viewpoint and, given the concurrent revelations by former American POW's about their treatment and torture at the hands of the North Vietnamese, there can be little doubt, for now, that the American public will—with equal force—adopt the President's announced position as its own.

In the context of current events, then, one would seem to be swimming upstream against strong political currents flowing in the opposite direction by even venturing into this emotional arena. And, yet, I remain uncertain as to the President's true position. If he means he is flatly opposed to "blanket amnesty," then our viewpoints are joined—for so am I. On the other hand, if he means to be forever opposed to considering each individual case for amnesty on its own merits—and some sort of conditional basis yet to be worked out—then there are differences between us. In time, one can expect this point to be clarified one way or another.

However, despite the obvious hazards involved at this moment in even discussing this issue, I do believe it to be an issue that will not go away. Hence, this is the first in a planned series of what I hope will be an objective and useful attempt to put that issue in a rational perspective.

Mr. FRENZEL. Mr. Speaker, I congratulate my distinguished colleague, the gentleman from New York (Mr. ROBISON) for his splendid statement on the very difficult subject of amnesty.

Mr. ROBISON does this Congress and this country a great service by bringing this question into the forefront. It is admittedly a controversial and sensitive subject. Feelings on both sides of the question run very high.

Nevertheless, it is now time to begin a rational discussion and debate on the question of amnesty. Historical prece-

dent and national responsibility would dictate no less.

With the execution of the cease fire and the return of our prisoners, it is now appropriate to bring amnesty discussions, which had formerly been conducted either behind closed doors or by very selective groups within our society, out into the open for all to review.

The Congress may not want to take action on this issue very soon. It may not want to act at all. It is, however, in my judgment, extremely important that we face this issue, examine it thoroughly and then make our decision. If that decision is to do nothing, a position which I do not hold myself, at least we should make it affirmatively rather than pretend there is no decision to make.

Again, I compliment the gentleman from New York on his statement.

GENERAL LEAVE

Mr. ROBISON of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. MATSUNAGA). Is there objection to the request of the gentleman from New York?

There was no objection.

SENATE VOTE ON THE PRESIDENTIAL VETO OF S. 7

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 10 minutes.

Mr. BIAGGI. Mr. Speaker, I rise today to express my great disappointment at the Senate's failure to override the Presidential veto of S. 7—the Vocational Rehabilitation Act Amendments.

No measure ever passed by Congress puts greater emphasis on critically needed vocational rehabilitation programs than does S. 7. This bill concentrates on services for the severely disabled. Congress has traditionally chosen the categorical approach to initiate and place special emphasis on problems of certain target groups. Why should anyone oppose efforts to facilitate the rehabilitation of the elderly blind, the deaf, and victims of spinal injuries or renal disease?

Let us not forget what S. 7 really is—legislation directed toward helping severely disabled youths and adults become employable. This is no hand-out program, but rather one which is designed to allow disabled individuals to re-enter the mainstream of society.

Furthermore, the vocational rehabilitation program has been a model of effective State-Federal relationships, and one of the most cost-effective programs in the human service area. Mr. Speaker, 300,000 individuals were made employable through this program in 1972, and hundreds of thousands more watched on with great concern and disillusionment as the vital rehabilitation amendments were used by the President to confront the Congress over fiscal policy control.

With the failure of S. 7 to become law, this nation has witnessed a tragedy—a tragedy from which the countless thousands of disabled individuals in our homes, hospitals, and clinics will not soon recover.

on and on but I think the point is made. Any member of the House can think of many similar agencies in his district that will be irreparably harmed by elimination from the tax laws of incentives to charitable giving.

One thing that has always distinguished America from other countries has been the vast system of private educational and charitable agencies. It is an aspect of our freedom of choice and of individual initiative we have always sought to encourage. It seems absurd to me that we could even contemplate weakening these private agencies and perhaps forcing them out of existence. The result would be a vast gap in services that would have to be picked up and provided by Government at much greater expense to the taxpayer.

In a time of vast bureaucracies in Government and elsewhere we need to encourage individuals and communities to tend to their own needs through their own efforts. It is the very key to our American system and to our successful history.

As we look at the tax laws we should remember that the public is the beneficiary of charitable contributions, not the donor. We should do nothing to discourage the private personal impulse to charity that has helped make our country great.

The largest private educational institution in my district is Emory University, Emory, among its professional schools, operates one of Georgia's two schools of medicine and has educated a high percentage of the State's physicians as well as its dentists and nurses. The university has schools of medicine, law, theology, dentistry, nursing, and business administration in addition to a college and graduate school. Four-fifths of Atlanta's dentists and half of its physicians are Emory alumni. Four of Georgia's 10 Members in the U.S. House of Representatives are alumni of Emory.

Because of its significance to our area, I obtained some statistics from Emory to show what effect present tax laws have on its programs. In the latest fiscal year Emory officials tell me they received gifts of \$36 million in appreciated securities or real property. It is very unlikely that these gifts would have been made in this volume without the incentives in present tax laws. Approximately 77 percent of the gifts Emory received were in appreciated securities or real property. More than 6 percent of the giving this past fiscal year was in the form of bequests, also encouraged by present tax laws.

When Emory conducted a capital funds campaign several years ago it raised \$29,050,154 from private sources. The university discovered that 3 percent of its donors—159 persons—gave 95 percent of the total raised. The other 5,048 donors gave 5 percent. I am told that this is fairly typical of such campaigns. Without tax encouragement to major donors, private institutions cannot survive.

What is significant to the American taxpayer is that if private sources do not support institutions such as Emory University, the job still must be done. It would then have to be done by Gov-

TAX REFORM AND CHARITABLE GIVING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, tax reform has universal appeal. Almost everyone favors tax reform but there are some dangers to traditional American systems and values in a meat-axe approach to it.

One of our great national strengths has been a dual system of higher education where privately-supported schools have added richness, variety, and challenge to American life since the founding of the Republic. These schools have added competition and diversity. They have offered innovation and leadership.

Our private schools and institutions have been under tremendous stress in the past decade as inflation has raised their costs and forced many of them to close their doors. The elimination of tax incentives for gifts to them would be the final blow in many cases.

Our private schools are not the only national resource supported by gifts encouraged by provisions in our tax laws. Many institutions fundamental to American society are dependent on these provisions. Our churches, our museums, our symphony orchestras, many of our hospitals and our various charitable service organizations are dependent on them.

There is not time here to recite the contributions these various privately supported organizations have made to American life, but they are many and they affect the average American every day of his life, in education, health, and general well-being.

If we repeal or reduce these tax incentives and discourage the American citizen from his effective use of the charitable dollar, we are in effect saying that an all-wise Government in Washington can make the better decisions about the needs of various communities in the Nation than can the local citizens themselves.

Every member of the U.S. House of Representatives can list a number of institutions vital to his area that would suffer seriously if we take a reckless approach to tax reform that ignores the importance of individual charity in American life.

In my own Fourth District of Georgia there are dozens of such institutions and agencies. Among private, gift-supported schools in my district are Agnes Scott College, Atlanta Baptist College, Columbia Seminary, Emory University, and Oglethorpe University.

Among private nonprofit hospitals are Elk's Aidmore Hospital for Crippled Children, Emory University Hospital, Henrietta Egleston Hospital for Children, The Scottish Rite Children's Hospital of Georgia.

The list for my district alone could go

ernment at some level and at considerably greater expense to the taxpayer.

I have used Emory as an example because it is the largest such institution in my district. Similar examples could be made for many other institutions.

I urge all Members of the House, as we consider tax reform, to study carefully the many essential gift-supported institutions in your own areas and to be sure that we do nothing that will destroy America's traditional patterns of charitable giving that have so enriched life in this country.

THE FORT WORTH FIVE SHOULD FACE THE RESPONSIBILITIES AND CONSEQUENCES OF THEIR OWN ACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KEATING) is recognized for 30 minutes.

Mr. KEATING. Mr. Speaker, the case of the so-called Fort Worth Five has been used to attack not only the Department of Justice but also the grand jury system. So many of the statements directed to this controversy have displayed not only an unawareness of the facts, but have demonstrated a lack of knowledge of the law of grand juries.

An understanding of this case necessitates a brief look at the facts.

Early last year the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms developed information that certain individuals, apparently from New York City were, using aliases, attempting to purchase in Fort Worth, Tex., large numbers of illegal weapons from sources in Mexico for shipment to Ireland.

Believing that the five New York City area residents now known as the Fort Worth Five possessed information helpful to this investigation, the Department of Justice subpoenaed them on June 13 of last year to appear before a Fort Worth Federal grand jury which was investigating possible violations of the 1968 Gun Control Act, the Organized Crime Control Act of 1970, the Foreign Agents Registration Act, and the conspiracy statute.

When the five witnesses refused to testify before the grand jury, they were granted immunity by the district court. Upon their continued refusal to answer the questions propounded to them, they were again brought before the district court, adjudged in contempt, and committed to the custody of the U.S. marshal until such time as they should purge themselves of contempt or until the grand jury would be discharged.

An application for bail pending appeal was denied by the trial court, the Fifth Circuit Court of Appeals, and the Supreme Court through Circuit Justice Powell.

On August 5, 1972, the fifth circuit upheld the district court's judgment of contempt, determining that all rights of counsel had been adequately protected; that the witnesses had shown no sufficient possibility of foreign prosecution arising from their grand jury testimony; that the Government's obligations regarding electronic surveillance had been

fully discharged; and that the grants of testimonial immunity were in each case properly requested and properly granted following a hearing fully observant of the witness' due process rights.

Following this decision, the applications for bail were renewed pending a petition for a writ of certiorari. Bail was again denied by the circuit court and a second application to the Supreme Court was again rejected through Justice Powell.

However, a special application for bail to Mr. Justice Douglas resulted in bail being set by the district court on September 19. The witnesses appealed this bail determination, the fifth circuit remanded, and bail was reset by the trial court. Although the witnesses were released upon the posting of bail on September 23, 1972, they were required to surrender to Federal custody on January 29, 1973, when the Supreme Court denied their petition for a writ of certiorari. On February 28, 1973, the five men were transferred from the Tarrant County Jail to the Federal Correctional Institution at Seagoville, Tex.

I have detailed the history of this litigation to demonstrate why the question of the Fort Worth Five is now before the Congress. It is clear that the five witnesses have exhausted their judicial remedies. Assistant Attorney General A. William Olson testified before our subcommittee that he knew of no recent case in which the legal issues raised by the defendants had been given a more extensive and thorough review by the district and appellate courts.

Having lost in the courts the five witnesses are now appealing to the Congress.

Mr. Speaker, this country can do little but stand back and watch the carnage taking place in Northern Ireland. Today, after 3½ years of violence, the death toll stands at 761. Because the bloodshed in that troubled land is considered to be the "internal affairs" of the United Kingdom and the Irish Republic, the Congress has to limit itself to anguished statements of concern. However, there is one thing that this country can do and that is to prohibit international terrorism from operating within our borders. If we cannot bring a halt to terrorism in Northern Ireland we can at least attempt to decrease it by limiting the flow of arms into that unfortunate country from our country and our citizens.

By attempting to present evidence to the grand jury the Justice Department is discharging its responsibility to enforce U.S. criminal statutes and the Department has the duty to do so without interference.

On March 7, Subcommittee No. 1 of the House Judiciary Committee held hearings on several House resolutions concerning the Fort Worth Five. These hearings were marked by questionable challenges to the Justice Department to justify decisions which were well within its prosecutorial discretion. These decisions had been repeatedly upheld by the courts.

What are the allegations made by the advocates for the Fort Worth Five?

First, it is pointed out that these five witnesses had no connection with nor

had they ever been in the State of Texas. Sympathizers with the five witnesses therefore conclude that the Department of Justice abused the grand jury proceeding when it called the witnesses before a Texas rather than a New York grand jury.

Advocates for the Fort Worth Five fail to mention that at no time during the entire course of the litigation was the authority of the Texas grand jury ever raised. No argument was ever made that the grand jury testimony should have been taken in another judicial district. No claim of hardship on behalf of the New York City witnesses was ever heard.

Federal grand juries by necessity often require witnesses to travel great distances in order to obtain sufficient information to determine whether an indictment should be returned. This is true whether the grand jury is investigating organized crime, civil rights violations, tax matters, antitrust cases, or gunrunning to terrorist organizations. Recognizing this fact, Congress has provided a per diem allowance of \$36 in addition to adequate travel expenses to witnesses testifying before grand juries.

Today's air travel has made long distances no obstacle to the convenience of witnesses.

Several members have suggested that the Department demonstrated bad faith by its failure to provide for the witnesses to transmit their grand jury testimony long distance from New York City, presumably by deposition. This suggestion demonstrates a lack of understanding of grand jury proceedings and an overprotective concern for the legal rights of those involved in grand jury investigations. Certainly the rights of anyone subsequently indicated by a grand jury have to be protected and it would appear that one of those protections is the right to have the witnesses who cause a person to be indicted to personally appear before the grand jury.

Another allegation is that because three of the witnesses are aliens, their coerced testimony could be used against them in a United Kingdom prosecution. Without belaboring this body with a legal brief, let me dismiss this allegation with the observation that at no point during the extensive litigation did the witnesses find a court to agree with them. I recommend that this body refuse to litigate a question that has received as much judicial attention as this one.

In connection with fifth amendment claim, we hear much about "use" as opposed to "transactional" immunity. Indeed, I believe at least one bill has been introduced to amend 18 U.S.C. 6002, enacted by the 91st Congress, so as to convert the present "use" immunity, found to be sufficient to protect a witness' right against self-incrimination in *Kastigar v. United States*, 406 U.S. 441 (1972) to a "transactional" immunity.

Regardless of the type of immunity tendered to the recalcitrant witnesses, they could have raised the same claims, and regardless of the immunity in question, these claims would be subject to the same judicial attention, the same opinion already rendered by the fifth circuit on this case.

Another allegation of the advocates of

the Fort Worth Five is that it is unconscionable that these five witnesses should be incarcerated without trial.

After having been granted immunity each witness has obligated to testify before the grand jury, and the willful refusal to obey the court's order to testify made each witness subject to commitment for civil contempt. Civil contempt commitment for recalcitrant witnesses is clearly authorized by 18 U.S.C. 1826. Let me note here that at no time have the five witnesses shown any willingness to cooperate with the grand jury investigation, even refusing to declare the correct pronunciation of their names.

Another argument is made that somehow the Justice Department is abusing the grand jury proceeding by keeping these men in jail after the Department has completed its investigation. First, the Fort Worth investigation is not completed, and according to the Justice Department the grand jury needs the testimony of the Fort Worth Five to continue the investigation. Assistant Attorney General Olson testified that the investigation would continue if possible without the testimony of the silent witnesses and that additional witnesses would probably be summoned.

The second response to the argument that the witnesses should be released because the investigation has ended is that the progress of the investigation is irrelevant. The "contempt" that we speak of is contempt before the district court and that court has ordered the witnesses committed until the witness purges himself of contempt or until the grand jury shall be discharged, whichever occurs first.

Let me conclude by noting that Judge Leo Brewster of the U.S. District Court for the Northern District of Texas stated in his July 3, 1972, opinion that:

Somebody affected by (the grand jury's) inquiry wants judgment day in this matter put off as long as possible. The lawyers for the witnesses are past masters at stalling and obstructionist tactics.

Mr. Speaker, by continuing to keep the case of the Fort Worth Five in the public eye, the Congress is providing unnecessary notoriety to these recalcitrant witnesses and is also conducting an ad hoc inquiry into a grand jury matter. It is time to allow our legislatively sanctioned criminal procedures to proceed without interruption.

Any review of grand jury proceedings should concern itself with the judicial purpose and functioning of the grand jury system and should not concentrate on one particular case where ethnic emotions run high and political passions dominate any thoughtful oversight.

The duty of each one of us as citizens to participate in legitimate judicial proceedings is important to our society and our entire judicial system.

This particular case represents an abandonment of that duty and I urge my colleagues to allow the Fort Worth Five to face the responsibilities and consequences of their own acts.

A BILL TO ESTABLISH A NATIONAL COUNCIL ON EDUCATIONAL TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 10 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, today I am reintroducing a bill I originally sponsored last year. This measure would establish a Council on Educational Technology.

The conventional wisdom in the field of educational technology is that we are now in possession of more than enough hardware—computers, projectors, television sets, recorders, overhead projectors, satellites, cable, and the like—and that what is needed for realization of the full potential of educational technology is better software and better preparation and understanding on the part of the educators.

As far as the relative balance between the three categories involved, hardware, software, and personnel is concerned, this analysis is generally valid. But this should by no means be taken to mean that educational technology hardware development is a final, completed accomplishment.

The development of educational technology is still a fast-changing, dynamic field evolving more quickly than educators can digest. This rapid change, while bringing ever greater possibilities and improvements, also creates perplexing problems. Sometimes the needs of the educators and the equipment available in the marketplace get out of step with each other. Often users have no way of assessing how well what is available fits their needs. And sometimes different brands of technology within the same "genre" are incompatible with one another.

As chairman of the House Republican task force on education and training, in the 92d Congress, I had an opportunity to meet with many users of educational technology and manufacturers and distributors. Summing up their comments and insights, I found that three problems were repeatedly cited:

Definitions of needs: Although educators often complain that available technology does not fit their needs, they have thus far successfully resisted providing manufacturers with precise descriptions of the qualities they need in products to facilitate the educational process. Neither have they accurately defined, in many cases, the instructional objectives they hope to reach through use of educational equipment. To give education its due, it must be noted that such a wide variety of settings and purposes are involved, no single description of needs or objectives could possibly suffice. Nevertheless, it appears that greater precision on the part of educators in describing their needs can be achieved and would enhance the ability of manufacturers to respond to those needs. Lacking a clear picture of the requirements of the educational market, manufacturers understandably gear their products to the demands of business and home consumers.

Product assessment and consumer information: Too frequently, educators

who purchase educational technology face a serious information gap. Many standards and specifications are now in existence, but they are not known to educators, or more frustrating, cannot be meaningfully related to classroom needs. Thus, much of the acquisition of educational technology is based solely on information supplied by salesmen or advertising literature, hardly a precise way to assess the relative capacities of given products in relationship to one's requirements.

Technical change: In some areas of educational technology, products are still in a rapid development stage, evolving quickly as major and minor improvements and variations are introduced. Often the result of such technological improvements is the obsolescence of similar but older equipment, for which replacement parts and possibly even software can no longer be obtained. For the educational user with the typical impecunious budget, this plays havoc with long-range plans for integrating educational technology into the overall school program. The video tape field provides an example of this phenomenon. Although there are nearly a dozen manufacturers in the market, varying tape widths, speeds, and formats mean that material recorded on one machine can often not be played back on a machine of a different brand. Despite the enormous educational potential of video tape, it is unlikely that it will be generally adopted for classroom use until these differences are resolved.

H.R. 6605 is designed to respond to these problems through the establishment of a Council on Education Technology. This Council, unlike the advisory councils so often established in conjunction with Government programs, would be a functioning, working group with definite goals to be achieved and specific responsibilities.

The Council would have a number of carefully defined tasks. First, it would be charged with coordinating the Federal agencies' actions and policies affecting educational technology, in both in-house and external programs. Second, it would be responsible for bringing together representatives of various educational users of technology for the identification and articulation of common needs and concerns. Finally, it would serve to foster communication between educational technology users and manufacturers and distributors.

Under this bill the Council on Educational Technology would be empowered to:

First, develop precise description of educators' needs with regard to educational technology;

Second, assess the quantity and quality of use of various types of technology in educational settings, including educational consumer reactions and evaluation of this technology;

Third, encourage and support the testing and assessment of technological equipment being marketed for educational purposes and the publication and dissemination of test results;

Fourth, encourage and support the development of prototype models of technological equipment designed to meet

specific educational needs when these needs are not met by existing technological equipment on the market and encourage the use of free license arrangements to stimulate more widespread availability of common format equipment;

Fifth, where indicated after thorough study, develop specifications for common formats to assure compatibility and reliability for various types of technological equipment for educational use and continually review these specifications based on assessment of the use and effectiveness of the equipment. Where deemed necessary, adherence to the specifications may be made a condition of the expenditure of Federal funds for equipment used for educational purposes;

Sixth, make an annual report to the Congress and such other reports as it deems appropriate, on its findings, recommendations, and activities including, as appropriate, an assessment of the creation of high quality program materials, evaluation of the supply and demand of specialized personnel for the design and implementation of effective media-based instructional materials and other specialized concerns, which in the opinion of the Council, are of importance to the effective development of an improved and expanded learning system; and

Seventh, consult with such Federal and non-Federal advisory councils, committees, and professional associations, as may have information and competence to assist the Council. All Federal agencies are directed to cooperate with the Council in assisting it in carrying out its functions.

Because this is designed to be an operating Council, it is authorized such sums as may be necessary for expert staff and for consulting with educational users of technology in the field.

I anticipate that we will see a number of specific accomplishments resulting from the Council's efforts. We will have an accurate picture of what kinds of educational technology are being used, how much of this equipment is actually in the schools, and how well it serves educational needs and purposes. We will have established a system for conducting independent and impartial evaluations of educational technology on the market and for making educators aware of the results of those evaluations. We will have established communication between educational users of technology and manufacturers so that both can have a better understanding of the needs of the educational market.

The need for such a coordinating group to deal with the hardware of educational technology has been called for repeatedly. The report of the Commission on Instructional Technology, headed by Sterling McMurrin, recommended—

An organization representing education and industry . . . [which would] develop and institute improvements in the design, development, maintenance, and utilization of instructional technology.

Herbert E. Farmer, professor of cinema, University of Southern California, speaking in November 1971 before the Educational Media Council's Seminar on

Standards for Education Equipment, stated that—

It would certainly help if a more efficient process could be worked out so that manufacturers and users could get together in the development stages, protecting the proprietary interests of manufacturers but without fear of antitrust charges.

Philip W. Tiemann, of the University of Illinois, speaking at the same seminar, likewise called for "a coordinating organization at the national level—with the functions of developing, field testing and revising techniques, and procedures for continuing evaluation and validation of performance-based standards." Similarly, Edwin G. Cohen, executive director of the National Instructional Television Center called for "a national coordinating council representing education, industry, and government."

Although it would be the function of the council to look into all relevant educational technologies, it is educational television which today seems to be the most active. The Sesame Street program deserves much of the credit for creating public awareness of the potential of television for reaching large numbers of students at a minimal cost. The open university idea, first tried in Great Britain and now being explored here is likewise opening up public understanding of ways in which technology can be used to free education from the traditional constraints of time and space. Burgeoning cable TV systems and the application of satellites to beam educational television into geographically remote and inaccessible areas are further examples of the rapid evolution of the hardware and its applications.

Video tape cassettes and video disks hold the possibility of overshadowing the entire realm of educational technology as we now know it. Because these video technologies are among our newest, I would hope that the Council could initially focus its attentions on some of the problems associated with these emerging educational tools.

Education today is facing what often seems to be two competing challenges: The need to squeeze as much as possible from our educational dollars, and simultaneously the need to provide every student with a high-quality education. The role that educational technology can play in meeting both these challenges of productivity will be strengthened by the industry-education cooperation this bill will foster.

Mr. Speaker, as a part of my remarks, I include the text of H.R. 6605:

H.R. 6605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a Council of Educational Technology (hereinafter referred to as the "Council") composed of fifteen members, appointed by the Assistant Secretary for Education of the Department of Health, Education, and Welfare without regard to the provisions of title 5, United States Code, governing appointment in the competitive service. The membership of the Council shall include persons who are familiar with the educational needs and goals of the Nation; persons with competence in the applications of technology in education; and persons representative of the general public, including

representation from government agencies, manufacturers and users of educational technology and media. Persons employed by the Federal Government or by State or local governments are eligible for appointment to the Council. Members shall be appointed for terms of three years except that (1) in the case of initial members, one-third of the members shall be appointed for terms of one year each and one-third of the members shall be appointed for terms of two years each, and (2) appointments to fill the unexpired portion of any term shall be for such portion only. The Chairman of the Council shall be the ranking official in the Department of Health, Education, and Welfare having direct operational responsibility for educational technology activities and shall serve at the pleasure of the Assistant Secretary for Education.

Sec. 2. The Council shall—

(1) develop precise descriptions of educators' needs with regard to educational technology;

(2) assess the quantity and quality of use of various types of technology in educational settings, including educational consumer reactions and evaluation of this technology;

(3) encourage and support the testing and assessment of technological equipment being marketed for educational purposes and the publication and dissemination of test results;

(4) encourage and support the development of prototype models of technological equipment designed to meet specific educational needs when these needs are not met by existing technological equipment on the market and encourage the use of free license arrangements to stimulate more widespread availability of common format equipment;

(5) where indicated after thorough study, develop specifications for common formats to assure compatibility, reliability and durability for various types of technological equipment for educational use, and continually review these specifications based on assessment of the use and effectiveness of the equipment. Where deemed necessary, adherence to the specifications may be made a condition of the expenditure of Federal funds for education-use equipment.

(6) make an annual report to the Congress and such other reports as it deems appropriate, on its findings, recommendations, and activities with respect to sections 2 and 3 and including, as appropriate, an assessment of the creation of high quality program materials, evaluation of the supply and demand of specialized personnel for the design and implementation of educational technology including the development of effective media-based instructional materials, and other specialized concerns, which in the opinion of the Council, are of importance to the effective development of an improved and expanded learning system.

(7) consult with such Federal and non-Federal advisory councils, committees and professional associations, as may have information and competence to assist the Council. All Federal agencies are directed to cooperate with the Council in assisting it in carrying out its functions.

Sec. 3. In carrying out its responsibilities under section 2, the Council may—

(1) refer issues and problems of concern to educational technology to other agencies for appropriate resolution. The Council may employ consultants or staff in the development of background case materials for hearings before the various regulatory or administrative agencies on matters of concern to the Council;

(2) employ consultants or staff to evaluate equipment and materials to determine their potential for educational use and may publish consumer information, as needed and appropriate, to provide counsel to educators and administrators in the more effective and efficient utilization of technology for educational purposes;

(3) provide advice and assistance upon its

own initiative or at the request of any government agency to provide said agency with the opportunity to better serve the specific needs of education;

(4) contract for services, as deemed appropriate by the Council chairman, for the development of plans, analysis of issues, evaluation of activities, or assessment of supply and demand statistics pertaining to any aspect of educational technology;

(5) convene conferences, obtain expert and lay testimony through hearings, and conduct other appropriate activities to ascertain the state-of-the-art of educational technology;

(6) participate or provide assistance for United States involvement in selected international standards activities and programs for technological equipment applicable to educational use;

Sec. 4. (a) (1) The Council is authorized to appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, or otherwise obtain the services of, such professional, technical, and clerical personnel as may be necessary to enable them to carry out their functions, as prescribed by law.

(2) Subject to regulations of the Assistant Secretary the Council is authorized to procure temporary and intermittent services of such personnel as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18 in section 5332 of such title.

(b) The Council shall meet at the call of the chairman thereof but not less than two times each year. Minutes of each meeting of the Council shall be kept and shall contain a record of the persons present, a description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the Council. The accuracy of all minutes shall be certified to by the chairman of the Council.

(c) (1) The Council shall be subject to such general regulations as the Assistant Secretary may promulgate and shall keep such records of its activities as will fully disclose the disposition of any funds which may be at its disposal and the nature and extent of its activities in carrying out its functions.

(c) (2) The Comptroller General of the United States, or any of his duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the Council.

(c) (3) Not more than 25 percent of any annual appropriation pursuant to Sec. 6 may be used for salary and operating expenses for the Council or its staff. All remaining funds will be used on a contractual basis to accomplish the purposes and responsibilities of the Council.

Sec. 5. No provision of this Act shall be construed to authorize any department, agency, officer or employee of the United States (including members of the Council) to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the programs of any Federal or State agency, or over the procurement of technological equipment or materials by any educational institution or school system.

Sec. 6. There are hereby authorized to be appropriated for the purposes of this Act for the fiscal year 1973 and each of the four succeeding fiscal years not to exceed \$750,000.

THE PROPOSED CONSTITUTIONAL AMENDMENT ON ABORTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Missouri (Mr. ICHORD) is recognized for 30 minutes.

Mr. ICHORD. Mr. Speaker, the decision rendered by the U.S. Supreme Court on January 22, 1973, declaring the criminal abortion statutes in the States of Georgia and Texas unconstitutional has created a great deal of controversy throughout the land.

The experts in the field of law, medicine, and religion, like the people in general, are divided over the abortion issue. Some of the recent national polls indicate an increase in the number of people who favor liberalized abortion laws. Yet more than two-thirds of our State legislatures have rejected attempts in the last few years to liberalize their abortion laws. Two recent statewide referendums in North Dakota and Michigan have seen the people reject the liberalization of the abortion laws at the polls by 77 percent and 63 percent of the vote respectively.

On March 15, 1973, the Missouri House of Representatives passed by a lopsided 94 to 33 vote a resolution offered by State Representative Bill Blackwell from my congressional district which calls on the U.S. Congress to enact constitutional amendment declaring that human life exists with legal rights at the time of conception. Hearings on this house-passed resolution are scheduled to begin in the Missouri Senate today, Mr. Speaker. In addition, Missouri is one of the 15 States to join with the State of Connecticut in a petition that the Supreme Court hear its case, which was dismissed after the Georgia and Texas ruling. The petition is based on very interesting legal reasoning. Following the rationale of the Dred Scott decision, which held that slaves were not constitutional persons but that the States could protect their lives because they were human beings, the State of Connecticut is trying to have its case heard by arguing that even if the unborn fetus is not a constitutional person the State can still act to protect the unborn human life.

There can be no doubt that feelings run strong and opinion is divided on the matter. Mr. Speaker, I rise this afternoon not to discuss the merits or demerits of the abortion ruling as such by the U.S. Supreme Court. In all honesty, I must say that I have long felt that some liberalization of many of the State abortion laws was in order. There are several cases where abortion is illegal that I personally believe should be permitted.

My primary concern is the way in which the matter was decided. The Supreme Court has the specific responsibility of interpreting the Constitution. The legislative branch has the constitutional responsibility to make the laws. The Supreme Court has clearly in this decision—as it has done so many times in the past—usurped for itself the right to legislate. If the men who sit on the Supreme Court want to make laws, let them run for public office. The decision made various references to the first, second, and third trimester of the development of the fetus and made different rulings for each of these stages of development. Certainly the Constitution makes no such distinction nor does it even hint at such a distinction.

It has also been one of my strongest convictions during my 13 years in the Congress that we must return major responsibilities for government to the State and local levels. These levels are closer to the people and can be controlled better by the people. The State representatives and senators are responsible for much smaller political areas than national officials and are better situated to keep their fingers on the pulse of the people. Decentralization of governmental power is a must in a society as diverse and heterogeneous as ours.

Therefore, since I do believe strongly in limiting the Supreme Court to its constitutional function and because I also believe in strengthening the State governments I have introduced today a proposed constitutional amendment which will allow the State legislatures to pass their own laws regulating abortions in keeping with the convictions of the people in the given States. The proposed amendment will read simply:

The States shall have the power to regulate or forbid the voluntary termination of human pregnancy.

FOOD PRICE HEARING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut (Mrs. GRASSO), is recognized for 15 minutes.

Mrs. GRASSO. Mr. Speaker, the high cost of eating is a nightmare of national dimension. It is a problem which touches every segment of our economy, every person in our midst.

For this reason, on Saturday, March 31, I sponsored a public hearing in food prices in New Britain, Conn. The purpose of the hearing was to provide citizens an opportunity to express their views on the continuing crisis in food prices. It was my view that the voices of the people of the Sixth District must be added to others that are heard in Washington so the worsening plight of the family food shopper would be regarded by the administration and Congress with the urgency the problem demands.

Spokesmen at the hearing ranged from representatives of civic clubs and consumer groups to farmers and poultry breeders, food wholesalers, and retailers. The fish and meat packing industries were also represented. Members of the Connecticut congressional delegation were invited to participate. In all, the 4-hour session was informative and educational. Against a background of common complaint about recent rises in food costs, we heard in detail about the particular problems of consumers as well as those who engage in different aspects of food supply and delivery.

Mr. Speaker, the New Britain hearing indicates that consumers have been forced to take action to correct the problem of soaring food prices because the Government has failed them. The ceiling on meat prices at the highest level in history is cold comfort, indeed, to the family food shopper who may pay \$1.50 for a pound of hamburger and astronomical prices for other meats. The smudged ink marks on the cans in the market are silent evidence of the unrestricted rise in other commodities.

Half enough is not good enough. The

current Government meat ceiling policy is inadequate to meet the needs of struggling consumers. The boycott and protests of citizens must be matched by more effective action. The public hearing which I conducted last Saturday in New Britain provided a forum for discussion by all components of the economy—farmer, wholesaler, retailer and consumer. The recommendations and observations of the participants were made available to my colleagues on the Banking and Currency Committee which is now drafting legislation in this area. For the interest and information of all my colleagues in the House, the testimony submitted at our hearings and the brief summary of recommendations and observations made will be inserted in the RECORD during the coming week.

**TWELFTH GUAM LEGISLATURE
CONGRATULATES DELEGATE
WON PAT FOR HIS SERVICE TO
THE PEOPLE OF GUAM**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON. Mr. Speaker, as a long-time friend of our colleague from the Territory of Guam, TONY WON PAT, I am pleased to call attention to a resolution recently passed by the 12th Guam Legislature commanding him for years of outstanding service to his people.

Through the years, TONY WON PAT has shown himself to be a devoted public servant and a dedicated advocate for the causes of more self-government in the American tradition and increased Federal assistance for the people of Guam.

As speaker of the early Advisory Guam Congress, Tony came to Washington in a successful effort to win American citizenship for his fellow Guamanians, and the right to form their own legislature.

Later, as speaker of the First, Second, Fourth, Fifth, Sixth, and Seventh Guam Legislatures, Congressman WON PAT continued his efforts in the Nation's Capital to increase Guam's participation in additional Federal programs.

In 1965, the Guamanians decided that they needed a full-time Washington Representative and wisely elected TONY WON PAT as their official spokesman. In this position, Congressman WON PAT proved so successful in garnering even more Federal support for Guam that he was elected to serve two 4-year terms.

One of the highlights of his service as Washington Representative was the passage by Congress of the Elective Governor Act for Guam.

Last year, Congress gave its consent to a bill which I was proud to introduce, the Guam/Virgin Islands elective delegate bill, which granted congressional representation to our fellow Americans from these two territories for the first time. I do not believe that I would be giving too much credit to TONY WON PAT when I say that one of the principal reasons for the overwhelming success of that last year was his close friendship with many Members of Congress, coupled with his intimate knowledge of Guam and his

quiet, but effective way of presenting Guam's case before the Congress.

TONY WON PAT has not only won the great majority of victories he set out to win, but has also earned a very large number of friends in Washington.

I wholeheartedly concur with the members of the 12th Guam Legislature in their complimentary assessment of TONY's long record of service, and add that I wish him many more years of success as Guam's delegate in Congress.

At this point, I insert the wording of the resolution passed by the Guam Legislature:

RESOLUTION

Relative to commanding and congratulating the Honorable Antonio B. Won Pat, Guam's first elected Delegate to the House of Representatives of the Congress of the United States, an honor richly deserved by Delegate Won Pat and one he has indeed merited by his years of public service both in Guam and in our Nation's capital.

Be it resolved by the Legislature of the Territory of Guam:

Whereas, largely as a result of the efforts of our then unofficial Washington representative, the Honorable Antonio B. Won Pat, the United States Congress amended the Organic Act of Guam to give the people of Guam the right for the first time in their history to elect an official delegate to sit as a non-voting member of the House of Representatives, thereby awarding the people of Guam a voice in the halls of Congress, a goal to which they have aspired for many years; and

Whereas, it was therefore entirely appropriate and fitting that in the first election to this new Office of Washington Delegate, the victor was that former unofficial representative, the Honorable Antonio Borja Won Pat, a dedicated public servant who has an unparalleled background of service to the people of Guam, having served not only as Guam's first and only unofficial representative to Washington, but also as Speaker of the Legislature for the First, Second, Fourth, Fifth, Sixth and Seventh Guam Legislatures and having indeed served as one of the founding fathers of the Guam political community; and

Whereas, the people of Guam are certain that in his new role as Delegate to the House of Representatives, Delegate Won Pat will continue to perform wonders on behalf of the territory and will not only obtain for it every benefit available from the Federal Government but will also forcefully and effectively present to our Nation's leaders in Congress assembled the views, hopes, and aspirations of the people of Guam; now therefore be it

Resolved, that the Twelfth Guam Legislature does hereby on behalf of the people of Guam congratulate and felicitate the Honorable Antonio Borja Won Pat, Guam's first elected Delegate to the House of Representatives of the Congress of the United States of America, who well merited his election as the first incumbent of that office by his years of devoted service to the public weal both in Guam and in Washington; and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, to the Speaker, U.S. House of Representatives, to the Honorable Antonio B. Won Pat, Guam's Washington Delegate, and to the Governor of Guam.

**IN MEMORY OF ADAM CLAYTON
POWELL, JR.**

The SPEAKER pro tempore. Under a

previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 10 minutes.

Mr. RANGEL. Mr. Speaker, 1 year ago, on April 4, Adam Clayton Powell, Jr. passed away. For the Members of this body who had the good fortune to serve with him and for those who did not, the Reverend Powell surely evokes sharp remembrances. For he was a man of sharp yet varied images.

But those who will remember best and for who this day has special meaning, are the people he served. The citizens of Harlem, N.Y. To them, he symbolized hope. As this country practiced massive racism, there was Adam Powell challenging the system, speaking for the oppressed, fighting the good fight for his people. On the picket line and in the committee room, Adam Powell was responsible for historic gains in civil rights. He will be remembered as one of the great legislators of Congress.

I now submit for your attention and the attention of my colleagues, a letter from President Johnson to Adam Clayton Powell, written in 1966:

[From CONGRESSIONAL RECORD Appendix, Oct. 10, 1966]

THE WHITE HOUSE,

March 18, 1966.

DEAR ADAM: The fifth anniversary of your Chairmanship of the House Education and Labor Committee reflects a brilliant record of accomplishment.

It represents the successful reporting to the Congress of 49 pieces of bedrock legislation. And the passage of every one of these bills attest to your ability to get things done.

Even now, these laws which you so effectively guided through the House are finding abundant reward in the lives of our people.

The Poverty program is rapidly paving new pathways to progress for those whom the economic vitality of this land had previously by-passed.

The Education measures are being translated into fuller opportunities for all our citizens to develop their God-given talents to their fullest potential.

Minimum wage, long a guarantee of a fair return for an honest day's work, has been increased and greatly extended.

Only with progressive leadership could so much have been accomplished by one Committee in so short a time. I speak for the millions of Americans who benefit from these laws when I say that I am truly grateful.

Sincerely yours,

LYNDON B. JOHNSON.

As we were kicked from lunch counters, pushed to the back of the bus, beaten and murdered, we knew one of our people was in Congress, fighting back. I remember something that author Julius Lester wrote about Adam Powell:

He was not a man for all seasons, but getting through the long, cold winter would have been infinitely more difficult without him.

In this time of Federal retreat from moral and fiscal responsibility to the underprivileged and down-trodden among us, Adam Powell would be the man keeping the optimism and spirit, "keeping the faith" of millions of Americans flickering.

The people of Harlem have declared April 4 as a day of remembrance for Adam Clayton Powell, Jr. Memorial services are being held today throughout the Harlem community, which Adam Powell served so long and so well, and at

April 4, 1973

many other churches and community gathering places.

Adam has been gone from our midst for 1 year now, but his spirit still lives in the hearts and minds of the people of Harlem and of black people throughout the Nation.

I would like to insert in the CONGRESSIONAL RECORD at this point a proclamation issued in Harlem today proclaiming the day "A Day of Remembrance" for Adam Clayton Powell, Jr.:

A DAY OF REMEMBRANCE

Whereas the late Honorable Adam Clayton Powell, Jr. served the United States of America and the people of Harlem above and beyond the mark of excellence.

Whereas the Honorable Adam Clayton Powell, Jr. was Chairman of the House Committee on Education and Labor and was cited by two great Democratic Presidents (John Fitzgerald Kennedy and Lyndon Baines Johnson) for excellence.

Whereas after years of sacrifice, suffering and eventual death he has been vindicated by the United States Supreme Court, the United States Congress, and the people.

Be it resolved that April 4, 1973 be a day of remembrance in Harlem and in the Congress of the United States of America on the occasion of the first anniversary of Mr. Powell's departure from our midst.

SOCIAL SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, the proposed social services regulations issued by the Department of Health, Education, and Welfare on February 16 continue to be a cause of great concern to many of us.

Recently a group of House Members met with Chairman MILLS to discuss this effort to impose additional Federal restrictions on the States.

The following letter outlines our proposals for revision of the February 16 regulations:

MARCH 28, 1973.

The Honorable WILBUR MILLS,
Chairman, House Ways and Means Committee, House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As a follow-up to yesterday's meeting, we would like to outline our concerns about the proposed restrictions on the use of social service funds.

In general, we feel that states should be free to allocate these funds as they see fit, subject only to limitations expressly established by Congress.

The proposed regulations issued by the Department of Health, Education and Welfare move beyond the most recent congressional statement on this matter, the State and Local Fiscal Assistance Act, P.L. 92-512.

We understand that regulations are now under review in the Department and that at least one proposed restriction will be dropped; the use of private matching funds. However, unless further revisions are made, the restoration of private matching, in itself, will have little programmatic or fiscal impact.

We urge, therefore, that the following changes be incorporated in any new set of regulations:

1. The definition of services should be broadened so states can provide the broad range of comprehensive services eligible for reimbursement prior to the publication of the February 16 regulations.

The extremely restrictive definition of health, education and nutritional services, for example, will mean the virtual elimination of aid to a number of groups with special social needs. The mentally ill, mentally retarded, alcoholics and drug addicts will be particularly hard hit.

2. States should be permitted to use social service funds to supplement funding available from related categorical programs. The use of service funds for health activities should not be prohibited, as it is in the proposed regulations, for example, merely because Medicaid also provides federal aid for state-run health programs.

Greater flexibility in packaging federal aid programs will enable states to design service systems that most effectively meet local needs.

3. The Department should reinstate the five year definition of a potential recipient and the two year definition of a past recipient. There is no indication that Congress intended to restrict the definition of "past" and "potential" beyond the standards in effect at the time of the passage of P.L. 92-512.

4. States should be permitted to establish their own income eligibility standards as they were able to do in the past. Proposed regulations require targeting of funds on the lowest income groups in each state. But welfare dependency often hinges on factors other than income, such as mental retardation, chemical dependency, and the special needs of children and the aged.

5. States should be allowed to use ongoing state expenditures for the non-federal match. A maintenance of effort requirement should be imposed, however, so federal funds are not used to replace non-federal expenditures.

Thank you for giving us the opportunity to discuss this matter with you. Please call on us if we can assist your Committee in its efforts to improve the effectiveness of the social services program.

With best wishes.

Sincerely,

PHILLIP BURTON,
JOHN CULVER,
DONALD FRASER,
OGDEN REID,
PATRICIA SCHROEDER.

The Washington law firm of Covington & Burling has prepared an analysis of the impact of the regulations on 17 States. At this point, I would like to insert the following excerpt from the Covington & Burling report in the RECORD:

HOW THE PROPOSED REGULATIONS WOULD FORCE GREAT CUTSACKS IN SOCIAL SERVICES

1. OVERALL IMPACT OF THE PROPOSALS

The breadth and magnitude of the proposed changes in HEW regulations is so great that any definitive estimate of their impact is probably impossible and, in any case, the inordinately short time permitted for the preparation of comments has prevented a thorough canvass of the effects of the proposed regulations on the states. Within the brief time allowed, however, a limited survey was undertaken by the American Public Welfare Association. Brief questionnaires were mailed to each of the 50 states inquiring how the proposed regulations would affect the social services programs in each state. So far replies have been received from 33 states which together account for approximately 73 percent of the federal social services expenditures and approximately the same percentage of the population served by such programs. In those 33 states it is estimated that the proposed changes would result in a reduction of approximately \$774 million in federal matching funds and deny social services to almost 2.8 million recipients during fiscal 1974. On the basis of the responses that were received from 33 states it is projected that, nationwide, the proposed

regulations would result in a decline of more than \$1 billion in federal matching funds for social services programs, denying more than 3.8 million persons access to such services during fiscal 1974.

The principal impact lies in the radically restricted definition of eligible service recipients and in the sharp cutback in the scope of services permitted. On the basis of the data received from 33 states it is projected that the proposal virtually to eliminate the category of "potential" welfare cases from eligibility for federally supported services would result, nationwide, in a decrease of more than \$661 million in federal matching funds and would deprive more than 3.1 million persons of services during fiscal 1974. On the basis of the same data it is projected that the contracted scope of available services would result, nationwide, in a decline of more than \$686 million in federal matching funds and would deny services to more than 1.5 million persons during fiscal 1974.

These are crucial facts. If almost four million persons not now on welfare but close to it were suddenly denied the services that help to keep them off welfare, a good number will end up on the welfare rolls, at enormous cost to federal and state governments and with heavy added strain on a welfare system that is already stretched virtually to the limit.

Other proposed regulations would also have significant adverse impact on state programs. Again on the basis of data from 33 states it is projected that the prohibition on use of donated funds would result, nationwide, in a decline of more than \$179 million in federal matching funds and would deprive more than 1.4 million persons of social services during fiscal 1974. In addition, the added documentation requirements contained in the new regulations would necessitate additional salary costs for extra administrative personnel ranging from \$250,000 in one small state to \$5 million in another, larger state. In states where money is unavailable to hire additional administrative personnel, the new requirements would simply result in fewer services being rendered by existing personnel.

2. STATE-BY-STATE IMPACT

Data available so far disclose that individual states and their citizens will suffer in some of the following ways.

a. Texas

The donated funds prohibition alone would require that the Texas Department of Public Welfare terminate contracts with 42 providers of services, delivering services to 32,000 needy individuals. Letter of February 26, 1973, Raymond W. Vowell to Philip J. Rutledge.

b. Missouri

The same prohibition would require the termination, in St. Louis alone, of day care services being provided to 600 children and would require, throughout the state, that eight of the present sixteen contracts for provision of services be terminated. Letter of March 1, 1973, Bert Shulimson to Administrator, SRS. The total dollar loss would be around \$10 million. Statement of Bert Shulimson, Director, Missouri Division of Welfare (February 27, 1973).

c. Maryland

Overall the proposed regulations would cost Maryland an estimated \$18 to \$20 million in federal matching funds. Washington Post (March 9, 1973) Among the funds lost would be \$1.2 million in legal services funds

* Because it was impossible, at least in the constricted time period allowed for comments, to eliminate duplication in the impact of the various proposed changes, there is some overlap among the categories for which statistics are reported. Therefore, it would

not be proper to total the impacts of the various individual changes. which have gone to 1,700 lawyers, handling an average of 10,000 cases per year. Letter of February 14, 1973, David E. Betts to Senator J. Glenn Beal, Jr.

d. Minnesota

The state of Minnesota would stand to lose over \$34 million as a result of the proposed regulations. Services to approximately 73,000 adults and children would be affected. 119 Cong. Rec., page 7744. Among the programs hit by the regulations would be day care (2 million), detoxification centers (\$1.5 million), and mental health services (\$1.3 million). 119 Cong. Rec., page 5365.

e. Florida

In Florida most of the state's \$8 million per year day care program would have to be terminated if the new regulations were adopted. *Wall Street Journal*, February 16, 1973.

f. Arkansas

In Arkansas at least 60 of the 82 community centers providing services to 2,000 mentally retarded children would be required to close immediately if the new regulations are implemented. Letter of December 23, 1972, Governor Dale Bumpers to President Richard Nixon.

g. Massachusetts

Massachusetts stands to lose nearly \$35 million per year in federal matching funds as a result of the proposed regulations. Twelve million of that total is attributable to the proposed prohibition on donated funds. Such a cutback would deny social services to 70,000 persons, including 31,500 children. The regulations would eliminate about one-third of the state's day care programs, \$8 million worth of foster care services to 8,000 children, \$2 million worth of services for 11,000 elderly persons, and protective services to 3,700 other children. 119 Cong. Rec., pages 7747-7749.

h. Georgia

Georgia would stand to lose approximately \$10 million of federal funds presently going for day care centers if the proposed regulations are enacted. *Wall Street Journal*, February 26, 1973.

i. Pennsylvania

Some 12,000 of the 14,000 children served in Pennsylvania's day care centers would be housed Youth Corps, a summertime project providing jobs to keep 50,000 deprived youngsters. 1973.

j. Delaware

Delaware faces the loss of \$16 million in federal social services reimbursement, if the proposed regulations are implemented. *Wall Street Journal*, February 26, 1973.

k. New York

In New York City alone the proposed regulations would result in a cutback of \$155 million, if implemented. Among the projects imperiled by the regulations is the Neighborhood Youth Corps, a summertime project providing jobs to keep 50,000 deprived youngsters off the streets. *Wall Street Journal*, February 26, 1973. Also imperiled is the city's day care program which presently serves 26,289 children through 368 centers; about half of those recipients would be ineligible under the proposed regulations. 119 Cong. Rec., page 7745. Statewide, the proposed regulations would render ineligible for social services 30,000 of the 66,000 elderly persons now receiving such services and more than one-third of the 52,000 children now in day care programs. In addition, the state would lose \$27 million of the \$32 million it now receives for foster care services. *New York Times*, March 15, 1973.

l. Illinois

In Illinois the proposed regulations would result in a reduction, during fiscal 1974, of \$90 to \$100 million in federal funds, depriving 140,000 recipients of needed social services. Included in this number would be 20,700 drug addicts and alcoholics, 4,750 of the 6,600 children now receiving day care services, 8,840 children now receiving foster care services, 1,174 elderly persons receiving home-maker services, 14,900 prison inmates and parolees presently in halfway houses, and 56,000 mentally ill persons needing short term, community based care. (Information supplied by state officials.)

These statistics are illustrative of the impact of the proposed regulations in real terms—ways that affect people. And these illustrations assume that the myriad paperwork and administrative burdens of the proposed regulations could not be met. In fact they will not and cannot be met in all cases, and the true impact of the proposals would be much more severe than has been set out in these pages. Several states have already begun to withdraw their support for social service programs in anticipation of the loss of federal support. This unfortunate effect spells disaster for the people affected and can be reversed only if the proposals are withdrawn, as they deserve to be.

LT. BILL BAILEY, A RETURNED PRISONER OF WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, about a week ago I had the honor and privilege to be principal speaker at ceremonies to officially welcome home a returned prisoner of war who resides in my congressional district. The years Lt. Bill Bailey of the Barnes community spent in North Vietnamese prison camps has not lessened the love and admiration he has for his country and his fellow man. In fact, judging by the remarks he made in response to the tributes paid him, I feel Lieutenant Bailey has an even deeper awareness of the greatness of America and the meaning of democracy. I ask unanimous consent to include Lieutenant Bailey's remarks at this point in the RECORD and commend them to my colleagues.

REMARKS OF LT. BILL BAILEY, RETURNED PRISONER OF WAR, SATURDAY, MARCH 24, 1973, KOSCIUSKO, MISS.

Congressman Montgomery, Mayors Mulholland and Jackson, distinguished Navy and civilian visitors, and friends: I have been asked to say a few words, and while I have only a few to say, they come from the bottom of my heart!

First, I must pay tribute to my family for the countless hours of heartbreaking and at times seemingly hopeless work they have devoted to the POW family organization.

I'm overwhelmed by today. The salutes, the gifts, the praise. I accept the first two with the greatest of humility, but the praise, gentlemen, does not belong to me.

Long before that last mission, I, along with my fellow servicemen, accepted the responsibility of bringing a determined military effort to the shores of an enemy transgressor of freedom-loving people. This responsibility was no more or no less than that which rested upon those of you sitting in this audience who carried the American flag in Korea, on the shores of Italy, France and Germany in two world wars, and the men of battles who have won freedom for people back to our own revolution in 1776.

This praise, this honor, does not belong to me but to those men who are not here today from all these struggles for freedom—to the unmarked graves in Europe, on the hills of Iwo Jima, and more recently, the jungles of Vietnam or the silent waters of many oceans and brown rivers. I and my fellow POW's gave years, but they made the eternal sacrifice and to them, we and freedom-loving people for decades, will be eternally grateful.

This honor, this praise does not belong to me, but to you here today, and to the millions like you across the country who through your loyalty, determination, faith in God and country, gave us the strength to carry on until that wonderful day of freedom.

Gentlemen, I honor you. I praise you. I salute you.

(Salute audience.)

DISABILITY INSURANCE FOR THE BLIND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, again wishing to assist and benefit many of our blind citizens, I am, today, introducing legislation as I have done in several recent Congresses, to liberalize the social security-based disability insurance program for the blind.

I am sure, Mr. Speaker, I need not say much about this bill in the House, for it is already well known to our colleagues and it has the endorsement and support of a substantial number of them.

Although the disability insurance for the blind bill has passed the other Chamber five separate times, it has failed to receive acceptance in the Committee on Ways and Means and in the House-Senate conferences on social security bills, but I am confident, Mr. Speaker, that in this Congress, that at last, this most necessary legislation for the blind will be approved by both Houses and will be signed into Federal law.

Mr. Speaker, the disability insurance for the blind bill would make two changes in the existing disability insurance law for the benefit of blind people:

It would permit them to establish eligibility to receive disability insurance payments when they have worked a year and one-half in social security-covered work.

Reducing the requirement in law from 5 of the last 10 years to 1½ years is necessary for the blind since, far too often, the employment they are able to obtain is of short and temporary duration, poor pay with little or no future possibilities for improvement and advancement—the blind as employees are far too often examples of the old adage, last hired and first fired.

I want to emphasize, Mr. Speaker, that this unhappy employment situation experienced by the blind does not have to be.

Blind people can be and when given a chance, are capably productive workers.

The problem is that blind people are not believed to have a productive capacity, and so find great difficulty securing any kind of job at all.

The six quarters eligibility requirement would be an acknowledgement in

the law of a hard fact of life constantly confronting employable but too often unemployed blind persons.

The other provision of the disability insurance for the blind bill would allow a person who is blind and who has worked the six quarters length of time under social security, to draw benefits so long as he remains blind regardless of his earnings.

This provision, too, Mr. Speaker, would give legal recognition to one of the hard but unchangeable facts confronting every blind person, that he must live and work and function without sight in a society and in an economy geared to sight.

And because of this, because the blind man must manage in a world surrounded by sight, whatever he endeavors to do, however capable he may be, whatever eminent position he may achieve, he must have sight available to him.

The blind housewife cannot learn of grocery sales without sighted help to read the papers.

The blind lawyer—any blind person—cannot read his mail without sighted help.

The blind schoolteacher or blind college professor cannot correct class papers without sighted help.

Always, of course, depending upon what the blind person does with his life, he has varying degrees of need for sighted help.

He can obtain help from sighted family members, from sighted friends, but every blind person learns of the un-dependability of this source of help.

Every blind person experiences the sighted family members who are too busy with their own activities to be available to the blind person when he needs their sight and as often as he needs their sight.

Every blind person learns from many disappointments experienced that the friendship of a sighted person is no assurance of the availability of sighted help when it is needed by the blind person, as often as it is needed by the blind person.

No, Mr. Speaker, the blind person should not be compelled to rely upon reluctantly or grudgingly given sighted help.

He should and must be able to arrange for the sighted assistance he needs by hiring it, by paying for it.

And the disability insurance payments offer a continuing source of funds for doing just this, for buying sight.

Mr. Speaker, I do not argue for the Disability Insurance for the Blind bill as a benevolence or kindness or a form of Government charity to blind people.

I argue for it because I believe blind people earn every assistance we can give them.

They refuse to accept helplessness as the normal consequence of blindness, but insist and demand the right to work and earn a living, to manage for themselves, to live self-dependent lives.

The blind could so easily resign themselves to dependence upon others, but proudly they set independence as their goal and courageously strive to achieve it.

The disability insurance for the blind bill as public law would make attainment of this goal possible.

It would greatly help to lessen the social and economic handicapped results of lost sight.

It would be a major help to equalize the disadvantages of blindness and enhance the possibility of achieving a full and worthwhile life, blind.

THE ROLE OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, Time, Inc., has rendered an outstanding service these past few months in its sponsorship of a series of symposia on "The Role of Congress." One of its regional meetings occurred in Boston on December 12, chaired by Time, Inc.'s Hedley Donovan. The principal speaker was Dr. Richard F. Fenno, Jr., well-known political science professor from the University of Rochester. He attempts to step back and look at our perceptions of Congress, so that congressional reforms may be better understood. Our esteemed majority leader, THOMAS "TIP" O'NEILL, appeared at the same meeting and offered his views on the subject. Their remarks are inserted in the Record below:

Mr. DONOVAN. Ladies and gentlemen, I am Hedley Donovan, the Editor-in-Chief of Time Inc. I want to thank you very much for joining us tonight.

This winter marks the 50th anniversary of the launching of Time Magazine and the incorporation of our company. I realize that 50 years is a mere twinkling of an eye here in Boston. But we did want to give ourselves a birthday party and also toast some of the people like yourselves who have read us, argued with us, prayed over us, been interviewed by us, and generally borne with us over the years.

Along with some celebration, we also thought we should do some work, and we have dedicated our anniversary to a journalistic theme, the modern relationship, 1972-73, and the years just ahead, between the Congress and the President. If the legislative role has been eroded as much as some scholars and journalists think, and indeed as many Congressmen think, then our whole system of government may be moving dangerously out of balance.

We have discussed this question over the past fortnight at meetings like this one in Atlanta, Chicago, Los Angeles; and we are having another dinner in Washington in January. We are going to be publishing articles on this subject in Time and Fortune, and we will be sending all of you in due course a digest of what is said here and at our other meetings.

Our panelists tonight are two Senators, one scholar, one journalist. But we are also delighted to have as guests tonight several other members of the Congress and I hope they will feel free to join in after our panel discussion, and, indeed, we hope as many who wish will likewise join the conversation.

You may feel that it is a little presumptuous of Time Inc. to move in here from New York, come into your city and start acting as though we were entitled to give a party. Fortunately, tonight we do have powerful Massachusetts auspices, the support of one of the most eminent of the long line of legislative leaders this state has sent to Congress; and he has very graciously agreed to join in welcoming you here.

He has just won his 11th term in Congress; and it is quite possible, according to Time's correspondents, that he will be the next Majority Leader of the House. Congressman Thomas P. O'Neill, Jr.

Rep. O'NEILL. Many years ago Sam Rayburn, then Speaker of the House, appointed me to a commission to go to Ireland and represent the Congress of the U.S.; it was at the dedication of the statue of John Barry. My wife and I arrived in Cork where we were met by the State Department.

"What would you like to do and what would you like to see?" I was asked. "I'd like to see as much of Ireland as I could; it is the home of my forebears. I have never been over here before," I replied. So we got in a car and we went up to Blarney Castle and kissed the Blarney Stone and we saw the famous bells of Shannon and the marketplace.

And as we were driving along our driver stopped and said: "That's our local hospital." I said, "What's so unusual about that? Every municipality has a hospital." He told me a very interesting story. In 1929 Henry Ford visited Cork. It was the home and birthplace of his grandmother and his grandfather and he had never been there. He was in the local hotel at about 5 o'clock at night when a knock came at the door. A group of men stood there and Mr. Ford welcomed them in.

They said: "Mr. Ford, we are happy to have you here, one of the world's great inventors, one of the world's great manufacturers, one of the world's great philanthropists; and we thought perhaps in memory of your grandmother and grandfather you'd like to make a donation to the hospital that we are building." And Ford sat down and wrote out a check for \$5,000.

The following day the Cork *Courier* came out with a blazing headline, "Henry Ford donates \$50,000 to the building the hospital." That afternoon the same group of men knocked at the door again and the door was opened, Mr. Ford invited them in. They said: "Mr. Ford, we are awfully sorry about the mistake that the newspaper made. Tomorrow there will be a correction."

He said: "How much did it cost to build that hospital?" They said \$50,000. He sat down, he wrote out a check for \$50,000. He said: "Gentlemen, you may have the check for \$50,000 on one condition. I want the inscription over the portals of that building to be the inscription that I have in mind." And those Irishmen for \$50,000 would put anything there. The inscription reads: "I came among you and you took me in."

Well, as the Congressman from the 8th Congressional District of Massachusetts—and the Harvard Club happens to be in my congressional district—let me welcome all of you from Time, all the panelists of the evening, my colleagues in Government, and the many guests and friends of Time magazine that are here tonight. Some time ago Neil MacNeil asked me if I was going to be in Boston and told me the purpose of these meetings. Personally, I think the purpose of the meetings is magnificent.

I have prided myself as being a bit of an analyst on the Congress of the U.S. and particularly on elections. For 18 years the Democrats have controlled the House, and again they control it this year. And as you study it you analyze many things that happen to give the Democrats victory.

I can recall during the era of '54 or '55 during the Eisenhower Administration, when he was rolling along with the good grace of the people of America, loved and charmed and everything, when Republicans thought they were going to retain the Congress. And lo and behold! one of the cabinet secretaries made a statement that the Administration would come out for a sales tax. The American public rebelled and the new Congress was sent in, I think it was in '54, and it was Democratic.

I look at the Congress and what happened this year. Just prior to adjournment President Nixon, who had enjoyed the most overwhelming victory of any presidential candidate in history, came to Congress, and he wanted the power and the right to tell the Congress of the U.S. where the money should be spent; he wanted to curb the budget to \$250 billion and only spend it as he saw fit. He was usurping the powers of the Congress and that seemed to be degrading, degrading all along the line.

Recent polls show you that in the three divisions of Government, the judicial, the administrative, and the Congress, that the Congress is held in the least esteem. There is no question that the American public, and those who are knowledgeable, appreciate the Constitution as one of the great documents of all time; and yet they have seen the power of the Congress weakened all along the line. And they want something done about it.

I honestly believe that for the first time this problem is catching up with America. And so on Time's 50th anniversary, may I extend not only a happy birthday, but sincere congratulations for tackling a problem that really needs to be tackled. Again, welcome to the 8th Congressional District; and I am sure that the panelists are going to be excellent. Thank you.

Mr. DONOVAN. Thank you very much.

This project we are embarked on in our 50th anniversary year is not an overnight interest of ours. We have been seriously and continuously engaged journalistically with the Congress. We have told something of our present project to the leaders of both parties in both houses. They have been very enthusiastic about our undertaking this and continuing it. And I hope both in print and in other ways we can make something worthwhile come out of these conversations.

So far as our publications are concerned, our interest in this question is not one of spectators at a contest between the Executive and the legislature. We are not rooting for one side or the other for the sake of the game, or trying to keep score in the sense of who is ahead at the moment.

There is a more fundamental question about it. This inquiry is not conceived in any way as an attack on the presidency or the incumbent President, though we don't seek to inhibit any comments on that. The real point as far as we are concerned is whether a democratic society puts some value on collective wisdom as opposed to centralized individual wisdom, and whether the Congress could make a larger and more constructive contribution to our public policy. And our question is whether the minds, talents and experiences that are assembled in the Congress have more to contribute to the public well being than is now being realized. That is our only interest in this subject, and speaking for Time Inc., that's our only ax to grind.

The first panelist on our program is Professor Richard Fenno of the University of Rochester, one of the outstanding scholarly authorities on the workings of Congress. He is the author of a monumental study called *The Power of the Purse*. It is a study of appropriations policies in Congress over the years 1947-56.

Professor Fenno has splendid Massachusetts credentials. He was born in Winchester. He is a graduate of Amherst. And he took his Ph.D. at Harvard. The advance working paper which he prepared for tonight, which he will not read but swiftly summarize, has a very catchy title: *"If, as Ralph Nader Says, Congress Is 'The Broken Branch,' How Come We Love Our Congressmen So Much?"*

I am informed that today is Professor Fenno's birthday. He is younger, as you will see, considerably younger than TIME. But

happy birthday, Professor Fenno, and please join me here.

Prof. FENNO. As I have been thinking about coming here over the last week, I have been reading in the newspapers that Senator Mathias has been holding hearings on congressional reorganization. I know Senator Ribicoff has had a lifelong interest in the subject. The same can be said for Neil MacNeil.

Then I viewed tonight's guest list and that made me feel even more uncomfortable. There is a story that has a moral to it that I think applies to me in the situation I now find myself. It is not exactly a Boston story. It appears as though a farm boy was walking in the pasture after a very severe thunderstorm and came upon a badly battered bird.

He picked the bird up, cradled it in his hands, decided he'd have to look after it. He came upon a large pile of manure and he decided that rather than take the bird home, he'd leave the bird in the pile of manure and that would be a great place for the bird to heal and to get well. So he put him in this warm spot.

The bird eventually did heal, did get well, and felt so good about it that he began to sing and sing. And a hawk flying up above, circling around, heard him sing, swooped down, picked him up, carried him off, and ate him.

Now, the moral of that story is that it may be your friends and not your enemies who put you there, and it may be your enemies and not your friends who will take you out of there, but while you are there keep your damn mouth shut.

The paper that I wrote doesn't deal with specific proposals for congressional reform. It is more of an attempt to step back and look at the way we view Congress, to provide a perspective on congressional reform. The puzzle presented in the title that Mr. Donovan read is the great disparity between our favorable judgment of our Representatives and Senators individually and our unfavorable judgment of the Congress collectively.

We re-elect our incumbents with regularity, while at the same time we hold meetings like this one to register our discontent with the institution. I spent the fall alternately reading the Nader group's blast at the Congress and visiting 10 congressional districts where I listened to a variety of Congressmen described invariably as "The best Congressman in the United States." We love our Congressmen, but not our Congress. How come?

Three parts of an answer occur to me. First, we apply different and quite independent standards of judgment. We judge our legislators individually according to their representativeness, their personal style and policy views. We judge our legislature collectively according to its success in solving national problems. And it is much easier to be a good representative than to solve national problems. Besides, the standards we set for Congress are more difficult to meet because we do not know what kind of Congress we want.

Take congressional-Executive relations. In the early and mid-60s we wanted Congress to cooperate and to help pass the Kennedy-Johnson programs. In the late-60s and early-70s we wanted Congress to counterbalance Executive power and to assert its independence. Until we know what we want we aren't likely to be happy with what we get.

A second partial answer to the puzzle lies in the fact that our Representatives in Congress spend so much more of their own time and energy wooing us as individuals than they do soliciting praise for the institution. Their primary concerns are individual, not institutional. Their first concern is, and I think it should be, re-election. But their efforts at winning re-election are highly individualistic efforts.

What is more, in courting favorable judg-

ments about themselves, they simultaneously encourage us to think unfavorably about the institution. For they, at least the 10 or so with whom I traveled, portray themselves as the gallant fighters against the manifest evils of Congress. Thus, they run for Congress by running against Congress. And since most of our education about Congress comes from our Congressmen, it is small wonder that we hold a puzzling pair of judgments.

A third part of the answer is that Congress is such a complex institution internally that we have difficulty understanding it from the outside. Especially, I would argue, we do not understand the degree to which, or the ways in which, the individual Senator or Representative influences the performance of the Congress. If we knew more about this individual-institution relationship, our judgment on the Congressmen might be a little more discriminating, our judgment on the Congress might be a little less simplistic, and our strategy of congressional reform might be a little different.

Take the committee system, the bulwark of the institution, for example, and see how the desires or the goals of the individual members have shaped it. For one thing, the very decentralization and fragmentation of the committee system is the organizational form most congenial to a group of independently elected legislators, each of whom has an equal claim to internal influence, and each of whom wants the resources to press that claim. For another thing, the committee system differs as between the Senate and the House because a committee assignment is much more important to the career of the individual Representative than it is to the career of the individual Senator who has, it seems to me, more varied sources of influence available.

Still further, looking only at the House, committee performance varies widely depending on just what it is that their members want from their committee service. Where most of the committee members want power and prestige, for example, their committee will tend to become expert, independent of the Executive Branch, and influential. Ways and Means, and Appropriations are committees of this type.

But where most of a committee's members want to pursue some nationally controversial policy interest, that committee will tend to be less expert, less independent, less influential, but more responsive to outside groups, such as the Executive Branch, which share their policy interests. Education and Labor, and Foreign Affairs are committees of this type.

If committees are very different from one another, as I think they are, it might just be that an effective strategy of reform would be somewhat more retail and less wholesale than the one we normally employ. Attacks on the seniority rule, for example, are typically wholesale attacks that only serve to divert our attention from the great diversity among committees, committee chairmen, committee staffs, and committee members.

So committees differ and to a large degree because the desires of their individual members differ. They are not equally, if at all, "broken branches." If we want a cooperative Congress, the more responsive, less influential type of committee may serve us best. If we want a counter-balancing Congress, the more influential but less responsive committee may serve us best.

We would certainly understand Congress better and we might prescribe for it more effectively if we looked at the way each committee is run, at the relationships between each chairman and his members, and at the way members get sorted onto each committee in the first place. And we would understand Congress better if we stopped letting our broadsides against the seniority rule pass

for good institutional analysis. They are not. The seniority rule is not a very important thing if what we want to understand is institutional performance.

Which brings us back to our starting point. If we want to understand and, I suggest, improve the institution, we shall have to do it chamber by chamber, party by party, committee by committee, chairman by chairman, and member by member. Obviously that is not easy. The mass media can help on the first four levels by foregoing wholesale "broken branch" type attacks for retail committee-by-committee analysis, and by foregoing wholesale attacks on the seniority rule for retail chairman-by-chairman analysis.

We as citizens can be most effective by working on the individual member, forcing him or her to think more institutionally, holding him more responsible for the performance of the institution, of his chamber, his party, his committee, and his chairman, than we do now. More than we realize we get the kinds of Congress our Congressmen want; and the more we understand and act on that assumption, the more our original puzzle may get resolved by itself.

Mr. DONOVAN. Thank you very much, Dr. Fenn. The next member of our panel is Charles Mathias of Maryland, a Republican who served four terms as a Congressman and is now in his fourth year as a Senator. The *Washington Post* recently quoted another Senator as saying that on those quickie votes on amendments where you waltz out on the floor, the first things you ask are what is it and whose is it; and if it is Mathias' that's worth about ten extra votes. Well, for a first-term Senator of the minority party, that's quite a testimonial.

Senator Mathias is such an independent Republican that Averell Harriman is said to have invited him to switch parties, reminding him that he, Harriman, had changed parties a while back—in 1929. I don't know whether Senator Mathias gave him a definite answer or is reserving judgment.

Senator Mathias has recently written that Congress is becoming in many respects an impotent and antiquated institution. Only last week in Washington he began hearings along with Senator Adlai Stevenson to try to do something about that state of affairs; and we are very pleased to have him here tonight, Senator Mathias.

HOW THE PRESIDENT REWARDS THE HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, tomorrow morning, at 10:30 a.m., the President will single one person out of many in the Federal Government who most typifies the tremendous physical and mental effort necessary to overcome a handicap and to work, as a peer, with those who are whole. I am referring to the Federal policy of giving the Outstanding Handicapped Federal Employee of the Year award, which will be given by the President's daughter, tomorrow at the Department of Commerce Auditorium.

I share with my colleagues and millions of other Americans both joy and pride in seeing a handicapped American being recognized for the work he, or she, has done. And I am certain that this honor serves as an inspiration to those handicapped who have yet to find themselves; those who either by birth or by accident have been deprived of one or another physical or mental ability, and

who, in pain and frustration must begin the effort to recover or develop that lost activity.

I do not wish to diminish the moment of pleasure that the recipient will have from winning this award; nor do I wish to dilute or to interfere with the inspiration that this award will mean to the thousands of handicapped Americans who still face this test. But the glimmer of this award is not bright and clear. It is cloudy. It is tainted.

It is the coincidence of which novelists, playwrights, and poets create their dramas when we find that on an early spring afternoon in Washington the President himself turns loose his White House strongmen to push, to bully, to cajole Senators to uphold his veto of a bill which would encourage the handicapped, the crippled, the blind, the paraplegics to be brave, to overcome their physical pain, their emotional needs, and become self-supporting. Two days later, on another early afternoon in spring, the President sends his lovely daughter to give an award to a Federal employee who has accomplished as an individual, what the bill hopes to do for millions of other unfortunate people in our country.

To push the Senators into changing their votes of 86 to 2 in support of the bill on February 28, he sends his strongmen. To recognize the efforts of a single individual citizen, he sends his young daughter.

So the administration will smile and hand out its award. Flashbulbs will pop and thousands of press releases will go out telling of the wonderful things the handicapped are capable of; of the vital role they play in giving hope and inspiration to those who are still restricted to the bottom of a wheelchair; or to a bed, or to a bare room. Where were the administration press releases and photographs when it intervened in the congressional effort to override the President's veto of the Vocational Rehabilitation Act of 1973?

Twenty-four hours ago and 24 hours before the award is to be given for the Outstanding Handicapped Employee of the Year, that same body could only muster 60 votes to override the President's veto. It befuddles my mind to try and imagine the explanation those 26 Members are trying to find to justify their switch. I do not envy them that job.

For in effect, they are saying to the handicapped: "You are on your own. If you make it, we will give you a plaque; if you do not, well, sorry—expect no help from your country."

That is the tarnish in tomorrow's award ceremony. And that is the tarnish not only on this administration, but on this Congress. Hope still shines for the Defense Department for one, in fact, it is \$5 billion brighter here. But for the handicapped American, that hope is gone.

Perhaps, though, the Vocational and Rehabilitation Act of 1973 is a dole, a handout. Hardly. This bill was and is designed to encourage helpless people to train themselves to hold jobs—to be able to support themselves by learning to overcome their handicaps.

The vocational potential of an estimated 7 to 12 million handicapped individuals is at stake. With the adoption of this bill, only 2 million of those persons would have been helped. The bill as passed by the House and Senate was far from adequate in terms of helping all those afflicted with a handicap. But in keeping within our budget guidelines, and in an effort to curb spending, we compromised to reach the level of assistance which we felt would not be inflationary.

The costs of assisting the handicapped are obviously high. But as our majority leader, Mr. O'NEILL so clearly pointed out on March 28, the earning of more than a quarter of a million handicapped persons who were rehabilitated amounted to \$1 billion. Their taxes brought an estimated \$58 million to various Federal, State, and local treasuries. Another \$33 million was saved in 1972 by removal of many rehabilitated persons from the public payrolls.

Both Houses of Congress agree with the President with regard to the Federal budget. We must eradicate those programs which are bulging with bureaucratic fat. But how can we justify the destruction of a program which helps people learn to help themselves? Why must the people of this country see the services which help those who have no opportunity sacrificed? So we can send an armada of bombers to Cambodia? I think not.

It is time that we started to care about ourselves. It is time to husband our resources and reorder our priorities. I do not think I am alone in wanting to help Americans with American tax dollars. And I do not think it is wrong to invest some of our hard-earned dollars to help the handicapped. But the clenched fist of the President is clearly visible in the Senate's partisan showing yesterday; and if his slap on the face does not show on the cheeks of our handicapped Americans today, it certainly has left an indelible mark in their minds.

Mr. Speaker, I am confident that the Congress will not let this issue die. To the recipient of the Outstanding Handicapped Federal Employee of the Year award, I add my congratulations to those of the President's daughter and many others. I hope we will not let him be the last handicapped person to reach such a plateau.

IMPOUNDMENT: A PRACTICAL SOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, today I testified before the Rules Committee concerning the problem of impoundment of funds by the executive department.

I believe that my approach to the impoundment problem would avoid the pitfalls of legislation which the committee is now studying, and would effectively return the power of formulating national policy to the Congress, where it rightfully belongs.

I am inserting at this point in the

RECORD my statement, which describes my plan in detail:

IMPOUNDMENT OF FUNDS BY THE EXECUTIVE
(Statement of Hon. GEORGE E. DANIELSON)

Mr. Chairman, and Members of the Rules Committee, I wish to thank you for this opportunity to appear before you and express my thoughts and opinions on the important subject of impoundment by the Executive Branch of funds which heretofore have been appropriated by the laws of the land for the purpose of carrying out our national policies.

At the outset I wish to inform you that I am a cosponsor of one of the pending anti-impoundment bills, H.R. 1873, by Representative Sarbanes, Pickle and others, a bill which is similar in its provisions to S. 373, by Senator Ervin. Although I am a cosponsor of that bill, I have grave misgivings that neither it nor any of the other general anti-impoundment bills would be the correct solution, or even an effective solution, to the impoundment problem.

Based upon such study as I have been able to do, I am convinced that the Executive has no inherent power—no right—to impound or withhold funds which have been appropriated by law. It is my opinion that the Executive has no right of impoundment whatever, except that which has been delegated to him by Act of Congress which the Executive has signed into law. And the only law which the Executive Department has cited as authority for the impoundments which concern us—or for placing those funds "in reserve"—as he prefers to call it, is the Anti-deficiency Act (31 U.S.C. 655). I am sure that all of the members of this Committee are familiar with that Act and I shall not comment on it here except to state that, in my opinion, it does not support or justify the type of impoundment which is producing this constitutional confrontation between the Congress and the Executive. As Mr. Justice Rehnquist said, when he was Assistant Attorney General, in 1969, "Existence of such a broad power is supported neither by reason nor precedent." Yet the Executive has referred to the Anti-deficiency Act as the authority for a substantial amount of his impoundments. (Report of Roy L. Ash, Director, Office of Management and Budget, Feb. 5, 1973, 38 C.F.R. #24, Part IV).

This clearly illustrates one of the reasons why I have misgivings concerning the enactment of any law which even implicitly grants the power of impoundment to the Executive. As time goes by such laws, —such delegations of power, —tend to be stretched and expanded to justify activities far beyond their original purpose. History shows us that once a power is granted it is rarely, if ever, regained. When a power is delegated by law, it would take a second law to repeal the first law, and the passage of the second law requires the approval and signature of the Executive, or passage over his veto. I submit that we would be endangering the trust placed in us by the American people if we were to grant the power of impoundment (and thereby delegate away the power of formulating national policy), and place it beyond our ability to retrieve.

I submit and suggest that if any impoundment bill is reported out by this Committee the very least we must do is insist that it contain specific language to provide that it will expire, by its own terms, within a short period of time. Better yet, no such bill at all!

Earlier I stated that I have grave misgivings that none of the anti-impoundment bills would be the correct or an effective solution to the impoundment problem. Let's examine some of the possibilities, remembering first of all that the funds of which we speak have already been appropriated by Acts of Congress, which have either been approved and

signed into law by the President, or passed over his veto. They are the law of the land, and, as we all know, the Constitution provides, in so many words, that the President "... shall take care that the laws be faithfully executed."

Suppose we pass one of the anti-impoundment laws. Will the President veto it? If he does, will we pass it over his veto? and if we do, will he still impound,—and what do we do then?

Suppose we pass such an Act, and the President signs it, and it becomes the law of the land. He will then almost certainly increase his impoundment, because he will then have apparent authority to do so which far exceeds his authority under the present Anti-deficiency Act. Suppose he does then impound, and Congress passes a resolution saying, "No, we disapprove!" Will he continue to impound? If he does, what do we do then?

I respectfully submit that there is only one effective way to solve the impoundment problem, and that is to make it impossible to impound, without the prior consent of the Congress. So long as the Executive has the option to impound, selectively, whichever funds he chooses to impound, and has an effective means of doing so, he will continue to do so. And by doing so, and continuing his practice to its logical conclusion, he will become the sole policy maker of our country because by cutting off, providing, or otherwise controlling the flow of funds for those laws which require funds for their implementation, he can and will nullify, modify or carry out national policies in the manner that most suits his own desires.

I submit that the most effective way to make it impossible for the President to impound without the prior consent of the Congress, is by relating appropriations together, by inter-locking them so that the obligation, expenditure or apportionment of one appropriation requires the proportional obligation, expenditure, or apportionment of another appropriation—or others.

Article I, Section 9, Clause 7, of the Constitution provides that "No money shall be drawn from the Treasury but in consequence of appropriations made by law; . . ." The Congress has, by law, provided for carrying the foregoing Constitutional provision into execution, and has directed that all warrants for the disbursement of money from the Treasury be first duly audited and settled and certified by the General Accounting Office and that disbursements shall not be made upon such warrants, *and not otherwise*.

What we need to do is to draft and inter-relate our appropriation bills in such a manner that funds cannot be obligated, expended, or apportioned for the implementation of one government policy unless funds are likewise obligated, expended or apportioned for the funding of other government policies. The effect of this would be to prevent the Executive from practicing a selective, cafeteria-style, supplying or withholding of the funds needed to carry out the various activities of our national policy.

At this point I set forth an example of a paragraph which could be included in some, or all, of our appropriation bills in order to achieve the above purpose.

Sec. —. Unless the Congress shall provide otherwise in language expressly made applicable to this section, at any time during the fiscal year 1974, the amount obligated or expended under this Act for any program or activity, expressed as a percentage of the amount appropriated by this Act for the purposes of such program or activity, shall be not more than (—16—) percentage points greater than the amount obligated or expended at that time during such fiscal year for any other program or activity authorized by Act of Congress, expressed as a percentage of the amount appropriated by the Congress

for purposes of such other program or activity for the fiscal year 1974.

Under present practices the Executive can, selectively and at will, provide or withhold (impound) the funding of individual national programs, thus, for practical purposes, he can decide which policies will be implemented, and which will not be implemented, and to what extent. Under my suggested language, so long as he uses public monies for some of our programs, he must provide pro-rata funding for all of them, or request a variance from the Congress.

What I would seek to do by this concept is to provide a coherent and orderly inter-relationship in the obligation and expenditure of funds appropriated by the several different appropriation bills.

The use of the foregoing concept would not bring about reckless spending, on the contrary, it would both permit and promote economy. I'm sure that we all agree that government spending should be reduced, that savings should be realized, wherever possible.

This language would also promote greater co-operation and harmony between the legislative and executive branches. Whenever the Executive, in the management of the government's business, would determine that money could be saved, all he would have to do is notify the Congress and by resolution the Congress could provide for an appropriate change in the rate of expenditure—or could terminate it altogether. The Congress and the Executive, working together, could economize where an immediate need is removed, or could accelerate expenditure where a need is increased. Changing needs, based on changing circumstances, could be quickly accommodated.

Please note, also, that a reasonable amount of flexibility can be written into the language at the outset in order to fit the anticipated differing needs of the different appropriations.

I submit the foregoing for your consideration as an effective solution to the impoundment problem, and again urge that this Committee exercise the greatest care before reporting a general anti-impoundment bill, so that it cannot be construed as a further delegation of an asserted power to impound.

**MARK YAMPOLSKY:
MAN OF COURAGE**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, in the last week, a most courageous act has been taking place downtown on 16th Street. Mark Yampolsky, a recent Jewish emigre from the Soviet Union, has been conducting a hunger strike across the street from the Soviet Embassy to protest the refusal of the Soviet authorities to give members of his family permission to emigrate.

Mark is a jazz drummer. He and his wife were given permission last year to emigrate to Israel, and they were here in the United States on a tour to inform people of what conditions are like in Russia for Jews seeking their freedom. Mark's courage was first demonstrated when he sought permission to emigrate from the Soviet Union. He managed to survive the harassment and humiliation which are the routine lot in life for all Jews trying to leave Russia. He and his wife prevailed, but many members of his wife's family were left behind. They were denied permission for no apparent reason.

What touched off Mark Yampolsky's hunger strike was a death. His wife's grandfather passed away in Switzerland while waiting for his family to join them. When the grandfather learned that his family had been absolutely denied permission to emigrate, and that they had been barred from reapplying for permission for a full year, it was more than he could bear at his age. He died, and Mark began his hunger strike as a way of making sure that his wife's grandfather would be heard in death as he was not in life.

The death of one man and the protest of another are not ordinarily events of great note. But this is not an ordinary situation. The grandfather's death and Mark's hunger strike illustrate the importance of our continued support for Russian Jews in their struggle to be free.

It was not easy for Mark to conduct his protest. He suffers from severe ulcers and living only on fruit juices and water has greatly aggravated his condition. He is separated from his wife now: she is in London conducting a similar hunger strike at the Russian embassy there. People always wonder about the sanity of those who choose to express their protest in so uncomfortable a manner. They are regarded as visionaries at best, and as bordering on the verge of madness at the worst.

But Mark Yampolsky is neither a visionary nor a madman. He has seen that protest can work. It was the concerted protests of concerned Americans and the determined actions of this Congress which made it possible for Mark to leave Russia. The quiet determination of the Jews still in Russia, refusing to be intimidated, continuing to demand their freedom, will also bring results, albeit very slowly. But the courage demonstrated by Mark and his brethren still in the Soviet Union should not go unsupported by this body.

I commend Mark Yampolsky on his bravery in speaking out against Russian oppression, knowing the repercussions this may have on the family he left behind. I salute him for his strength in his hunger strike. I offer him my condolences and sympathy on the death of his wife's grandfather. Finally, I offer him my full commitment to the cause of freedom for Soviet Jewry.

VISIT OF PRESIDENT THIEU

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 15 minutes.

Mr. SEIBERLING. Mr. Speaker, I read with some dismay in this morning's paper that on Friday of this week it is planned that President Thieu of South Vietnam will be in Washington where he will confer with "congressional leaders." If it was a mistake, and I believe it was, for the President to invite President Thieu to come to this country at this time to confer with him, it seems to me it may be equally a mistake for congressional leaders to entertain President Thieu here either formally or informally, if in fact we do not intend to become militarily reinvolved in Indochina.

When President Johnson embraced Premier Ky in Hawaii in 1966, President Johnson, in the eyes of the world committed this Nation to backing Premier Ky's regime. By doing the same thing for President Thieu at this juncture, it seems to me that President Nixon is, in the eyes of the world, announcing his continued support for the Thieu regime.

When to this is coupled also the fact that in today's paper we read that 60 B-52 bombers have carried out massive bombing attacks in populous areas of Cambodia, without any congressional authority for the part of the President to conduct that kind of operation, without even the excuse that he is doing it to protect our soldiers in Vietnam or to get our prisoners of war back, since they are all back, it does seem to me this is a very disquieting state of affairs.

Also, in this morning's paper was another tragic account by another one of our prisoners of war of the privation and the mental and physical torture that he and other Americans were subjected to, this one a medical officer who first was held by the Vietcong or North Vietnamese in South Vietnam and later was taken to North Vietnam. He said that even though he was imprisoned in North Vietnam it was a relief compared to the terrible circumstances under which he was forced to live in South Vietnam as a prisoner of the Vietcong or North Vietnamese. The American people are rightly indignant over such treatment, violating as it does, ordinary decency as well as international law.

But, before we proclaim our shock and indignation to the world over the terrible treatment accorded to American prisoners of war by the North Vietnamese and the Vietcong, I think we better ask ourselves whether we are meeting our responsibilities for stopping similar and even worse barbarities being inflicted by the Government we are supporting in South Vietnam.

A New York Times article printed on March 3 stated:

A group of recently released political prisoners, reportedly spirited into Saigon secretly, described today how they were beaten, tortured and ultimately crippled during years of confinement at the government island prison on Con Son.

Further it says:

According to the former prisoners, they had each spent about five years in custody without being tried or granted a hearing.

It goes on:

One who said he was neither a Communist nor a supporter of the front was a slightly built, round-faced man aged 23 who described himself as a Buddhist activist. . . .

He said he was picked up by the police along with friends who, like him, had been active in what he called the anti-Government "Buddhist struggle movement."

Asserting that he was unable to walk as a result of his treatment while in custody, he related that after his arrest he was taken to the national police headquarters in Saigon and "beaten and tortured on and off for a whole year."

He described the torture as being beaten with sticks "until I vomited blood or until the blood came out of my eyes or ears," having soapy water forced into his nose and mouth, and being subjected to electric shock.

His torturers accused him of participating in anti-Government activities, he added, and "said they tortured us to punish us."

Another form of torture employed by the police, the young man said, was to manacle prisoners' hands behind their backs, then hang them from the ceiling by the manacles until they lost consciousness.

It sounds very much like the same type of torture that was inflicted upon our own POW's in North Vietnam in certain instances.

After a year in custody in Saigon, he said, he was taken to the Chi Hoa Prison in Saigon and installed in what was known as "the movie house" because it was "like a big box and it was dark like a movie theater."

"There they chained our feet and attached the chains to a pole," he continued. "There were between 50 and 100 prisoners. We had nothing to lie on, and it was filthy and dirty and cold. Every day they would open the door and send in a bunch of common criminals who would beat us with sticks and kick us."

Describing life in the tiger cages, the young man said that several prisoners died but he could identify only one by name.

This sounds almost parallel to the treatment inflicted on one of our own POW's as described in today's Washington Post.

A week after the Congressmen went to Con Son, he said, the inmates were put in what he called the stables—a row of structures that had housed water buffalo.

"During the time we were kept in the stables they continued to beat us viciously," he said. "One of my friends, Tran Van Tu, suffered a broken arm. Another man, Nguyen Ngo Thuong, was ferociously beaten on the head."

In December, 1970, the former prisoner related, he and about 80 other sick and disabled prisoners were flown back to Chi Hoa. "I guess I was going crazy at that time," he added, saying that he was also paralyzed.

He remained in Chi Hoa until June, 1971. The treatment there was better at that time, he said, though "once in a while they would beat us just a little."

In June, 1971, he and others at Chi Hoa were informed that they were being returned to Con Son.

"We tried to resist," he said, "saying we were still sick and needed more time to recover. We told them many of us still could not walk and many were still very sick."

But, according to his account, the jailers responded by bringing in the policemen and common criminals who threw tear-gas grenades into the cells. "We all choked and lost consciousness," he said.

They were put on a ship to Con Son. By then the old tiger cages had been replaced by new ones built by an American contractor and paid for by the United States.

Digressing a little, last October the Government Operations Committee of the House of Representatives in an official report stated that \$400,000 in AID money was going to an American contractor to build new tiger cages at Con Son.

The former prisoner said that while the cages were about the same size as the old ones, each cage housed only one person. As a result, he added, "the jailers would not beat us from above but would open the steel bars, jump in and beat us."

DIET: RICE AND WATER

Throughout 1972 and in the first two months of this year, he said, his daily food ration consisted of "a few spoonfuls of rice and a little water."

The most recent beating took place last Jan. 6 in Row A and B of the tiger cages," he said. "About 70 prisoners were seriously injured then." He explained that the beatings occurred "because we asked for more food and more water."

I will not read on. We could duplicate this story many times from what has appeared in the press and in the CONGRESSIONAL RECORD. If congressional leaders do meet with President Thieu later this week, then I would like to suggest that they ask him a few questions.

The most important question is whether he is going to see that this type of atrocious behavior by his government which derives a crucial amount of financial support from the United States of America—including AID money specifically earmarked for South Vietnamese police and prisons is going to come to an end.

And if so, when?

And if so, whether representatives of the General Accounting Office will be entitled to go and inspect any prison in South Vietnam to make sure that these commitments are being carried out?

If he is unable to give a clear-cut and explicit answer on that score, then I would suggest that our congressional leaders consider what action they are going to recommend, such as cutting off further aid to the Government of South Vietnam until it cleans up this abominable situation or else provides some basis for justifying the continuation of that aid.

I would hope that our congressional leaders after they meet with President Thieu would also make an official statement to this body as to whether or not they asked such questions of him and what his responses were.

NATIONAL INSTITUTE OF HEALTH CARE DELIVERY

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, I am introducing today for consideration by the House of Representatives a bill to establish the National Institute of Health Care Delivery. The Institute may well be to the delivery of medical care to those who need it what mass production was to American industry. It will make it possible for every American to have available and usable the medical services he needs in everyday life.

I am confident that this session of Congress will mark the beginning of great new advances in the American health system and that problems long neglected will begin to be resolved.

Television programs depicting super-human doctors and newspaper headlines describing real life miracle operations ranging from organ transplants to open heart surgery have created a distorted impression as to the state of health care in America.

While research and modern techniques have created tremendous possibilities in medical care much of the Nation continues to suffer from inadequate treat-

ment and attention. The attention that the public does receive is often at an exorbitant price. The price is not exorbitant in terms of the human lives saved but in terms of the lives which are inevitably lost because society cannot afford those prices on a mass scale.

The real lesson in TV shows and headlines is the fantastic potential of the American health system. The U.S. Government through its financial support has helped to achieve incomparable advances in the field of medicine. Since World War II we have lavished over \$20 billion on biochemical research. Our achievements are the most spectacular the world has ever seen and are unparalleled by other nations. These achievements were accomplished by the sacrifice of resources worthy of such a goal.

But we seem to be in the position of a master chef who can create gourmet dishes for a few hundred people and is placed in charge of food distribution for a nation. The same effort which America has until now lavished on research must be extended to the delivery of health care to all the people. I do not deprecate research; I feel it should be increased. But for too long the bread and butter programs in the health field have been neglected.

The problems with our health care system are numerous. Costs are increasing at a much faster pace than is the general cost of living. Many areas of the country are desperately short of doctors. Millions of Americans do not have access to adequate medical facilities.

The health industry is already enormous, consuming more than \$75 billion a year and it will continue to grow. A rational efficient approach is a necessity.

This bill will establish a National Institute To Improve Health Care Delivery and to speed the delivery of the benefits of medical research to the people.

The institute will be a separate agency under the Department of Health, Education, and Welfare of a size and importance in keeping with its great responsibilities. One of these responsibilities will be the development of health care policy on a national level. For too long we have lacked such an overall policy.

HOW ABOUT A BREAK FOR THE TENANTS?

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the last few years have made people aware of the inequities built into the Federal income tax system. A cry has gone up that the system is weighted to give the most to those who have the most. Without examining every aspect of the income tax system, I would have to say that in a few areas this is certainly true. One of those areas is the deduction of expenses for dwellings.

We all know that homeowners are allowed to deduct the amount of his property tax and the interest that he pays on his mortgage. The owner of a coop-

erative apartment can deduct the amount of his monthly maintenance charge which represents the interest on his mortgage and the property taxes on his building. But the apartment dweller gets no such tax benefit, even though the rent he pays includes property taxes and interest payments.

Frankly, I can see no rationale for this kind of tax discrimination. These tax breaks for homeowners presumably were first designed to make the burden of owning a home somewhat lighter. Why should not the burden of living in an apartment be equally lightened?

We all know that a decent apartment in a large city today is an expensive proposition. Many people are trapped in sub-standard dwellings because they cannot afford the higher rents that a better apartment would cost. Giving people a tax break on their apartments similar to that received by home and co-op owners could be just the thing needed to break down the ghetto walls in our cities.

But there is more to the housing crisis in New York and other large cities than can adequately be dealt with by revising the tax laws. Many people are living in apartments for which they pay far too much in rent, considering the level of services they receive from their landlords. And since the untimely end of the phase II controls, rents have begun to rise at an alarming rate. Landlords are often getting away with murder, and a simple tax deduction provision will not end the rent squeeze. For that, we need a freeze on rents.

Too often I hear of incidents in which landlords are literally gouging their tenants, charging exorbitant rents and returning nothing in the way of services. How many tenants in New York City and elsewhere have to do their own repairs or painting? How many tenants are faced with the prospect of paying unconscionable amounts each month because there is nowhere else for them to go?

To be sure, the vast majority of honest landlords should not be penalized for the few rent gougers in their midst. Thus, the freeze should be flexible to allow for reasonable increases when the landlords' maintenance costs go up without placing an undue burden on tenants.

The President has indicated that he thinks there is no economic justification for the recent sharp rises in rents. The Senate has already voted for rent controls. There is currently legislation before this body that would control rent increases, and I would like nothing better than to see this legislation enacted into law. We can no longer ignore the needs of the tenants of this country.

A combined policy of controlling rent increases and permitting tenants to deduct a portion of their annual rentals on the Federal income taxes would make eminent good sense. In a year when tax reform is an issue on everyone's mind, these are proposals which deserve our thoughtful consideration.

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. ROBERT W. DANIEL, JR.) to revise and extend their remarks and include extraneous matter:)

Mr. BLACKBURN, for 5 minutes, today.
Mr. MILLER, for 5 minutes, today.
Mr. KEATING, for 30 minutes, today.
Mr. HANSEN of Idaho, for 10 minutes, today.

(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous matter:)

Mr. ICHORD, for 30 minutes, today.
Mrs. GRASSO, for 15 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. BURTON, for 5 minutes, today.

Mr. RANGEL, for 10 minutes, today.
Mr. FRASER, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 15 minutes, today.

Mr. MEZVINSKY, for 5 minutes, today.
Mr. MCFALL, for 5 minutes, today.

Mr. RYAN, for 5 minutes, today.
Mr. DANIELSON, for 10 minutes, today.

Mr. PODELL, for 10 minutes, today.
Mr. DENT, for 5 minutes, today.

Mr. SEIBERLING, for 15 minutes, today.

Mr. ANDERSON of California, for 15 minutes, April 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DENHOLM to extend his remarks immediately following the remarks of the gentleman from Texas, Mr. POAGE.

(The following Members (at the request of Mr. ROBERT W. DANIEL, JR.) and to include extraneous matter:)

Mr. BURKE of Florida.
Mr. O'BRIEN in two instances.

Mr. RINALDO in three instances.
Mr. FRENZEL in four instances.

Mr. WINN.
Mr. HEINZ.

Mr. WYATT.
Mr. KEATING in two instances.

Mr. MCKINNEY.
Mr. BELL.

Mr. FORSYTHE.
Mr. DELLENBACK.

Mr. WYMAN in two instances.
Mr. STEIGER of Arizona.

Mr. RUFFE.
Mr. THOMSON of Wisconsin.

Mr. BUTLER.
Mr. HUBER.

Mr. FRELINGHUYSEN.
Mr. HUNT.

Mr. SYMMS.
Mr. STEELE.

Mr. KEMP.
Mr. HOGAN in three instances.

Mr. HUDDNUT.
Mr. TALCOTT in two instances.

Mr. HANSEN of Idaho.
Mr. TAYLOR of Missouri.

Mr. MITCHELL of New York.
Mr. CLEVELAND.

Mr. BROYHILL of Virginia.
(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)

Mr. EVINS of Tennessee in five instances.

Mr. CLARK.

Mr. HARRINGTON in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. HOWARD.

Mr. REUSS in six instances.

Mr. DAN DANIEL.

Miss JORDAN.

Mr. HAYS in two instances.

Mr. CAREY of New York.

Mr. MAHON.

Mr. REID.

Mr. BOLAND in two instances.

Mr. YATRON.

Mr. MINISH.

Mr. BINGHAM in three instances.

Mr. ROE in two instances.

Mr. LONG of Maryland in 10 instances.

Mr. HAWKINS.

Mr. WILLIAM D. FORD.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 800. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the compensation of innocent victims of violent crime in financial stress; to make grants to the States for the payment of such compensation; to authorize an insurance program and death benefits to dependent survivors of public safety officers; to strengthen the civil remedies available to victims of racketeering activity and theft; and for other purposes; to the Committee on the Judiciary.

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. 3577. An act to provide an extension of the interest equalization tax, and for other purposes.

ADJOURNMENT

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, Thursday, April 5, 1973, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

719. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to members of the uniformed services, and for other purposes; to the Committee on Armed Services.

720. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, na-

ture, and estimated cost of a construction project proposed to be undertaken for the Naval Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

721. A letter from the Chairman, Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1974 for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; to the Committee on Government Operations.

722. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to foster fuller U.S. participation in international trade by the promotion and support of representation of U.S. interest in international voluntary standards activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

723. A letter from the Associate Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended [8 U.S.C. 1254(c)(1)]; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

724. A letter from the Comptroller General of the United States, transmitting a report on the need for more effective audit activities of the Office of Economic Opportunity; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 340. Resolution authorizing additional investigative authority to the Committee on Interior and Insular Affairs (Rept. No. 93-105); referred to the House Calendar.

Mr. HOLIFIELD: Committee on Government Operations. Second report on the Reorganization Plan No. 1 of 1973 (Rept. No. 93-106). 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. ANDERSON of California:

H.R. 6547. A bill to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ANDREWS of North Dakota:

H.R. 6548. A bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system benefits unduplicated in any other retirement system based on employment in Federal programs operated by State and local governments under Federal funding and supervision; to the Committee on Post Office and Civil Service.

By Mr. BERGLAND:

H.R. 6549. A bill to encourage earlier retirement by permitting Federal employees to purchase into the civil service retirement system benefits unduplicated in any other retirement system based on employment in Federal programs operated by State and local governments under Federal funding and

supervision; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI (for himself, Mr. BROWN of California, Mrs. BURKE of California, Mrs. CHISHOLM, Mr. CLARK, Mr. CORMAN, Mr. DAVIS of South Carolina, Mr. DENT, Mr. FRASER, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. NIX, Mr. PODELL, and Mr. VANIK):

H.R. 6550. A bill to amend the student loan provisions of the National Defense Education Act of 1958 to provide for cancellation of student loans for service in mental hospitals and schools for the handicapped; to the Committee on Education and Labor.

By Mr. BIAGGI (for himself, Mr. BROWN of California, Mrs. BURKE of California, Mrs. CHISHOLM, Mr. CLARK, Mr. CORMAN, Mr. DAVIS of South Carolina, Mr. DENT, Mr. FRASER, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. MAZZOLI, Mr. NIX, Mr. PODELL, and Mr. VANIK):

H.R. 6551. A bill to pay grants to students enrolled in psychology, sociology, or social work in institutions of higher education to encourage their part-time employment and clinical training in certain hospitals for mental rehabilitation; to the Committee on Education and Labor.

By Mr. BROYHILL of Virginia:

H.R. 6552. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

H.R. 6553. A bill to amend the Civil Service Act of January 16, 1883, to eliminate the requirement of apportionment of appointments to the competitive civil service; to the Committee on Post Office and Civil Service.

By Mr. BURKE of Massachusetts (for himself and Mr. MILLS of Arkansas):

H.R. 6554. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. MILLS of Arkansas, Mr. O'NEILL, Mr. ULLMAN, Mr. BOLAND, Mr. CAREY of New York, Mr. CORMAN, Mr. COTTER, Mr. DONOHUE, Mr. FLOOD, Mr. FOLEY, Mr. FULTON, Mr. GIBBONS, Mr. KARTH, Mr. LANDRUM, Mr. MOAKLEY, Mr. MURPHY of Illinois, Mr. ROSTENKOWSKI, Mr. JAMES V. STANTON, Mr. STUDS, Mr. TIERNAN, Mr. VANIK, Mr. WAGGONNER, and Mr. WOLFF):

H.R. 6555. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on certain special deposits of prisoners of war and other members of the Armed Forces in a missing status during the Vietnam conflict; to the Committee on Ways and Means.

By Mr. COLLINS (for himself and Mr. SHUSTER):

H.R. 6556. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT (for himself, Mr. CARNEY of Ohio, Mr. CRONIN, Mr. STUDS, Mr. OWENS, Mr. HELSTOSKI, Mr. ROSENTHAL, Mr. YOUNG of Alaska, Mr. FRASER, Mr. LEGGETT, Ms. HOLTZMAN, Mr. HOLFIELD, Mr. SEIBERLING, Mr. STOKES, Mr. ROE, Mrs. GRASSO, Mr. RANGEL, Mr. ADAMS, Mr. BINGHAM, Mr. ROY, and Mr. McCORMACK):

H.R. 6557. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines

without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. DENT (for himself, Mr. YATRON, Mr. POWELL of Ohio, Mr. HARRINGTON, Mr. WON PAT, Mr. BRASCO, Mr. PODELL, Mr. MOSS, Mr. HANNA, Mr. CLAY, Mr. MURPHY of Illinois, Mr. ANNUNZIO, Mr. MOLLOHAN, Mr. PRICE of Illinois, Mr. MEEDS, Mrs. HANSEN of Washington, Mr. ROYBAL, Mr. BEVILL, Mr. WILLIAM D. FORD, Mr. REES, and Mr. RIEGLE):

H.R. 6558. A bill to amend section 210 of increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. DICKINSON:

H.R. 6559. A bill to amend section 210 of the Flood Control Act of 1968; to the Committee on Public Works.

By Mr. ERLENBORN (for himself, Mr. MCCOLISTER, and Mr. FRENZEL):

H.R. 6560. A bill to amend the Freedom of Information Act to require that all information be made available to Congress except where Executive privilege is invoked; to the Committee on Government Operations.

By Mr. EVANS of Colorado (for himself, Mr. O'NEILL, Mr. HECHLER of West Virginia, Mr. HARRINGTON, Mr. VIGORITO, Mr. HANLEY, Mr. WON PAT, Mr. FAUNTRY, Mr. SISK, Mr. MOLLOHAN, Mr. MITCHELL of Maryland, Mr. MOSS, Mr. DE LUGO, Mr. WHITE, Mr. SARBANES, Mr. MOAKLEY, Mr. LEGGETT, Mr. SMITH of Iowa, Mr. ECKHARDT, Mr. MELCHER, Mr. STOKES, Ms. ABZUG, Mr. HENDERSON, Mr. GREEN of Pennsylvania and Mr. ROONEY of Pennsylvania):

H.R. 6561. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration; to the Committee on Banking and Currency.

By Mr. FRENZEL:

H.R. 6562. A bill to amend sections 112, 692, 6013, and 7508 of the Internal Revenue Code of 1954 for the relief of certain members of the Armed Forces of the United States returning from the Vietnam conflict combat zone, and for other purposes; to the Committee on Ways and Means.

By Mr. GROSS:

H.R. 6563. A bill to provide equity in the feed grain set aside program by allowing participants in plan B to switch to plan A; to the Committee on Agriculture.

By Mr. GROVER:

H.R. 6564. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

By Mr. GUNTER:

H.R. 6565. A bill to improve and implement procedures for fiscal controls in the U.S. Government, and for other purposes; to the Committee on Rules.

By Mr. HAWKINS (for himself, Mrs. CHISHOLM, Mr. CONYERS, Mr. ASPIN, Mr. BROWN of California, Mr. BURTON, Mr. BADILLO, Mr. DIGGS, Mr. DENT, Mr. DE LUGO, Mr. EDWARDS of California, Mr. WILLIAM D. FORD, Mr. GREEN of Pennsylvania, Mr. HANNA, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. LEHMAN, Mr. MOAKLEY, Mr. MOSS, Mr. NIX, Mr. O'NEILL, Mr. PRICE of Illinois, Mr. PODELL, Mr. REES, and Mr. REID):

H.R. 6566. A bill to amend the Economic Opportunity Act of 1964 to require that any plans to reorganize the Office of Economic Opportunity be transmitted to Congress pursuant to the Executive Reorganization Act, and for other purposes; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. RODINO, Mr. RANGEL, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SARBANES, Mr. SISK, Mr. TIERNAN, and Mr. CHARLES H. WILSON of California):

H.R. 6567. A bill to amend the Economic Opportunity Act of 1964 to require that any plans to reorganize the Office of Economic Opportunity be transmitted to Congress pursuant to the Executive Reorganization Act, and for other purposes; to the Committee on Education and Labor.

By Mr. KEATING:

H.R. 6568. A bill to provide parking for tourists to the Capitol of the United States; to the Committee on Public Works.

H.R. 6569. A bill to regulate the provisions of parking to certain officers and employees of the Federal Government; to the Committee on Public Works.

By Mr. KOCH (for himself, Ms. ABZUG, Mr. BADILLO, Mr. CONYERS, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. PODELL and Mr. RANGEL):

H.R. 6570. A bill to amend certain provisions of the Controlled Substances Act relating to marijuanna; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 6571. A bill to expand the National Flood Insurance Program by substantially increasing limits of coverage and total amount of insurance authorized to be outstanding and by requiring known flood-prone communities to participate in the program, and for other purposes; to the Committee on Banking and Currency.

By Mr. MATSUNAGA (for himself and Mr. DULSKI):

H.R. 6572. A bill to authorize the Secretary of the Navy to construct and provide shore-side facilities for the education and convenience of visitors to the United States Ship Arizona Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. MAYNE:

H.R. 6573. A bill to amend section 2254 of title 28, United States Code, with respect to Federal habeas corpus; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. DORN, Mr. HAMMERSCHMIDT, Mr. TEAGUE of Texas, Mr. HALEY, Mr. DULSKI, Mr. ROBERTS, Mr. HELSTOSKI, Mr. CARNEY of Ohio, Mr. DANIELSON, Mrs. GRASSO, Mr. WOLFF, Mr. BRINKLEY, Mr. CHARLES WILSON of Texas, Mr. SAYLOR, Mr. WYLIE, Mr. HILLIS, Mr. MARAZITI, Mr. ABDON, Mr. HUBER, and Mr. WALSH):

H.R. 6574. A bill to amend title 38, United States Codes, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MORGAN:

H.R. 6575. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. MOSS (for himself, Mr. MCFALL, Mr. LEGGETT, and Mr. JOHNSON of California):

H.R. 6576. A bill to authorize the Secretary of the Interior to engage in feasibility in-

vestigation of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mr. NEDZI:

H.R. 6577. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. NIX:

H.R. 6578. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration; to the Committee on Banking and Currency.

H.R. 6579. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6580. 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. O'HARA (for himself, Mr. DELLENBACK, Mr. CONTE, and Mr. ROSENTHAL):

H.R. 6581. A bill to amend the Higher Education Act of 1965 to protect the freedom of student-athletes and their coaches to participate as representatives of the United States in amateur international athletic events, and for other purposes; to the Committee on Education and Labor.

By Mr. PODELL:

H.R. 6582. A bill to establish a National Institute of Health Care Delivery, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REID:

H.R. 6583. A bill to amend the Public Health Service Act to establish a national program of health research fellowships and traineeships to assure the continued excellence of biomedical research in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 6584. A bill to amend the Internal Revenue Code of 1954 to extend certain transitional rules for allowing a charitable contribution deduction for purposes of the estate tax in the case of certain charitable remainder trusts; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 6585. A bill to amend the act of August 4, 1950 (64 Stat. 411), to provide salary increases for members of the police force of the Library of Congress; to the Committee on House Administration.

By Mr. STAGGERS (for himself, and Mr. DEVINE):

H.R. 6586. A bill to make permanent the authority to conduct national health surveys and studies; to the Committee on Interstate and Foreign Commerce.

H.R. 6587. A bill to amend the Drug Abuse Office and Treatment Act of 1972 to modify the authorization of appropriations for the program of special project grants and contracts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6588. A bill to extend for 3 years the programs for comprehensive State and areawide health planning, and for comprehensive public health service and health services development, and to repeal a requirement that at least 15 percent of a State's formula allotment for public health services be available only for mental health services; to the Committee on Interstate and Foreign Commerce.

H.R. 6589. A bill to provide for the ex-

tension of the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6590. A bill to make permanent the program of research and demonstrations relating to health facilities and services; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. DEVINE) (by request):

H.R. 6591. A bill to designate a network of essential rail lines; to require minimum standards of maintenance on such lines; to provide financial assistance for rehabilitation of rail lines; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER of Wisconsin (for himself, Mr. ANDERSON of Illinois, Mr. PRICE of Texas, Mr. MARTIN of North Carolina, Mr. STEELMAN, Mr. CONLAN, Mr. ABDNER, Mr. ICHORD, Mr. HAMMERSCHMIDT, and Mr. WHITE):

H.R. 6592. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committee on Education and Labor.

By Mr. SYMINGTON:

H.R. 6593. A bill to amend the State and Local Fiscal Assistance Act of 1972 to require States and local governments to hold public hearings in which interested individuals and neighborhood groups may participate in decisions with respect to the uses to be made of general revenue-sharing funds; to the Committee on Ways and Means.

By Mr. SYMINGTON (for himself, Mr. RODINO, and Mr. STARK):

H.R. 6594. A bill to amend the Internal Revenue Code of 1954 with respect to lobbying by certain types of exempt organizations; to the Committee on Ways and Means.

By Mr. SYMMS:

H.R. 6595. A bill to prohibit the United States from furnishing any assistance to North Vietnam; to the Committee on Foreign Affairs.

By Mr. TEAGUE of Texas:

H.R. 6596. A bill to provide for disclosures designed to inform Congress and the public of the identity of persons who for pay or with funds contributed to them seek to influence the legislative process, the sources of their funds, and their areas of legislative activity and for other purposes; to the Committee on Standards of Official Conduct.

H.R. 6597. A bill to amend Section 203 of the National Aeronautics and Space Act of 1958, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WOLFF (for himself, and Mr. JONES of Tennessee):

H.R. 6598. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who their principal residences; to the Committee on Ways and Means.

By Mr. WON PAT (for himself and Mr. YOUNG of Alaska):

H.R. 6599. A bill to amend section 5(c) of the Home Owners Loan Act of 1933 to authorize an increase in the principal amount of mortgages on properties in Alaska, Guam, and Hawaii to compensate for higher prevailing costs; to the Committee on Banking and Currency.

By Mr. BERGLAND:

H.R. 6600. A bill to establish a ceiling on expenditures for the fiscal year 1974 and to provide procedures for congressional approval of action taken by the President to keep expenditures within the ceiling; to the Committee on Government Operations.

By Mr. DELLUMS (for himself, Mr. LEGGETT, Mr. MITCHELL of Maryland and Mr. WALDIE):

H.R. 6601. A bill to promote public health and welfare by expanding and improving the family planning services and population research activities of the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FOLEY:

H.R. 6602. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; to establish development corporations to demonstrate technologies for shale oil development, coal gasification development, advanced power cycle development, geothermal steam development, and coal liquefaction development; to authorize and direct the Secretary of the Interior to make mineral resources of the public lands available for said development corporations; and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6603. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 6604. A bill to amend title 5 of the United States Code with respect to the observance of Memorial Day and Veterans Day; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 6605. A bill to establish a Council on Educational Technology in the Department of Health, Education, and Welfare; to the Committee on Education and Labor.

By Mr. MATSUNAGA (for himself, Mr. ANDERSON of California, Mr. CLEVELAND, Mr. DAVIS of Georgia, Mr. EDWARDS of California, Mr. FASCELL, Mr. HAWKINS, Mr. HICKS, Mr. HORTON, Mr. JONES of Oklahoma, Mr. LEGGETT, Mr. LONG of Louisiana, Mr. McSPADDEN, Mr. MADDEN, Mr. METCALF, Mr. PATTEN, Mr. RONCALIO of Wyoming, Mr. ROYBAL, Mr. STOKES, Mr. VAN DEERLIN, and Mr. CHARLES H. WILSON of California):

H.R. 6606. A bill to authorize the Secretary of the Navy to construct and provide shore-side facilities for the education and convenience of visitors to the U.S.S. Arizona Memorial at Pearl Harbor and to transfer responsibility for their operation and maintenance to the National Park Service; to the Committee on Armed Services.

By Mr. RODINO (for himself and Mr. HUTCHINSON):

H.R. 6607. A bill to amend sections 101 and 902 of the Federal Aviation Act of 1958 and chapter 2, title 18, United States Code, to implement the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania:

H.R. 6608. A bill to require the Secretary of Agriculture to carry out all rural housing programs of the Farmers Home Administration; to the Committee on Banking and Currency.

H.R. 6609. A bill to amend titles 39 and 5, United States Code, to eliminate certain restrictions on the rights of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6610. A bill to amend the Federal Employees Health Benefits Act of 1959 to provide that the entire cost of health benefits under such act shall be paid by the Government; to the Committee on Post Office and Civil Service.

H.R. 6611. A bill to amend the age and service requirements for immediate retirement under subchapter III of chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6612. A bill to amend the Postal Reorganization Act of 1970, title 39, United States Code, to provide for uniformity in labor relations; to the Committee on Post Office and Civil Service.

H.R. 6613. A bill to strengthen and improve the private retirement system by establishing minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, by allowing deductions to individuals for personal savings for retirement, and by increasing contribution limitations for self-employed individuals and shareholder-employees of electing small business corporations; to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania (for himself, Mr. ASPIN, Mr. CULVER, and Mr. REES):

H.R. 6614. A bill to amend section 1130 of the Social Security Act to repeal the provision presently limiting to 10 percent the portion of the total grants for social services paid to a State which may be paid with respect to individuals not actually recipient of or applicants for aid or assistance, and to amend the public assistance provisions of such act to specify the minimum periods within which an individual (not receiving aid or assistance) must have been or be likely to become an applicant for or recipient of aid or assistance in order for expenditures for services provided to him to qualify for Federal matching; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 6615. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEELE:

H.R. 6616. A bill "The Drug Traffic Deterrent Act of 1973"; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER of Wisconsin:

H.R. 6617. A bill to amend the act of August 13, 1946, relating to Federal participation in the cost of protecting the shores of the United States, its territories, and possessions, to include privately owned property; to the Committee on Public Works.

H.R. 6618. A bill to authorize a program to develop and demonstrate low-cost means of preventing shoreline erosion; to the Committee on Public Works.

H.R. 6619. A bill to amend the Internal Revenue Code of 1954 to provide that certain losses from shoreline erosion shall be deductible for purposes of the individual income tax; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 6620. A bill to amend the Disaster Relief Act of 1970 for the purpose of making clear that disaster assistance is available to those communities affected by extraordinary shoreline erosion damage; to the Committee on Public Works.

H.R. 6621. A bill to amend the Internal Revenue Code of 1954 to provide that certain losses from shoreline shall be deductible for purposes of the individual income tax; to the Committee on Ways and Means.

By Mr. WALDIE (for himself, Mr. BADILLO, Mr. BROWN of California, Mr. BURTON, Mrs. CHISHOLM, Mr. CRONIN, Mr. DELLUMS, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. LEGGETT, Mr. MEEDS, Mr. MOAKLEY, Mr. PEPPER, Mr. PRICE of Illinois, Mr. RIEGLE, Mr. ROE, Mr. ROONEY of New

York, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SARBANES, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, and Mr. THOMPSON of New Jersey):

H.R. 6622. A bill to extend Migrant Health Act and increase appropriation; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.J. Res. 479. Joint resolution to create a select joint committee to conduct an investigation and study into methods of significantly simplifying Federal income tax return forms; to the Committee on Rules.

By Mr. BIAGGI:

H.J. Res. 480. Joint resolution to authorize and request the President of the United States to issue a proclamation designating October 14, 1973, as "German Day"; to the Committee on the Judiciary.

By Mr. BLACKBURN:

H.J. Res. 481. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mrs. GRASSO:

H.J. Res. 482. Joint resolution to authorize and request the President to proclaim April 29, 1973, as a day of observance of the 30th anniversary of the Warsaw ghetto uprising; to the Committee on the Judiciary.

By Mr. GROVER:

H.J. Res. 483. Joint resolution to authorize the President to issue annually a proclamation designating the month of May in each year as "National Arthritis Month"; to the Committee on the Judiciary.

By Mr. HOGAN:

H.J. Res. 484. Joint resolution to authorize and request the President of the United States to issue a proclamation designating October 14, 1973, as "German Day"; to the Committee on the Judiciary.

By Mr. ICHORD:

H.J. Res. 485. Joint resolution proposing an amendment to the Constitution to permit the States to regulate or forbid abortion; to the Committee on the Judiciary.

By Mr. McCLOSKEY (for himself, Mr. ASHLEY, Mr. ASPIN, Mr. BADILLO, Mrs. CHISHOLM, Mr. DIGGS, Mr. FRAZER, Mr. HARRINGTON, Mr. JOHNSON of Colorado, Mr. LEGGETT, Mr. LEHMAN, Mr. MOAKLEY, and Mr. MOORHEAD of Pennsylvania):

H.J. Res. 486. Joint resolution to terminate American military activity in Laos and Cambodia; to the Committee on Foreign Affairs.

By Mr. McCLOSKEY (for himself, Mr. MITCHELL of Maryland, Mr. REES, Mr. REUSS, Mr. RIEGLE, Mr. ROONEY of Pennsylvania, Mr. ROSENTHAL, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. WALDIE, and Mr. WON PAT):

H.J. Res. 487. Joint resolution to terminate American military activity in Laos and Cambodia; to the Committee on Foreign Affairs.

By Mr. WHITEHURST (for himself, Mr. ABDNOR, and Mr. CLEVELAND):

H.J. Res. 488. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HAWKINS (for himself, Mr. PRICE of Illinois, Mr. REES, Mr. RANGEL, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SARBANES, Mrs. SCHROEDER, Mr. SISK, Mr. STARK, Mr. THOMPSON of New Jersey, Mr. TIERNAN, Mr. CHARLES H. WILSON of California, Mr. WOLFF, and Mr. PODELL):

H. Con. Res. 174. Concurrent resolution, in the sense of the Congress that the President, in accordance with the policy of the

United States established by law, should continue the Office of Economic Opportunity, administering and supervising the important activities entrusted to that Office under the provisions of the Economic Opportunity Act of 1964, and submit a revised budget request for such activities for fiscal year 1974; to the Committee on Education and Labor.

By Mr. HAWKINS (for himself, Mr. STEIGER of Wisconsin, Mr. ADAMS, Mr. ASPIN, Mr. BADILLO, Mr. BLATNIK, Mr. BROWN of California, Mr. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. DE LUGO, Mr. DIGGS, Mr. EDWARDS of California, Mr. WILLIAM D. FORD, Mr. GREEN of Pennsylvania, Mr. HANNA, Mr. HARRINGTON, Mr. HEINZ, Mr. HELSTOSKI, Mr. LEGGETT, Mr. LEHMAN, Mr. MOAKLEY, Mr. MOSS, Mr. NIX, and Mr. O'NEILL):

H. Con. Res. 175. Concurrent resolution, it is the sense of Congress that the President, in accordance with the policy of the United States established by law, should continue the Office of Economic Opportunity, administering and supervising the important activities entrusted to that Office under the provisions of the Economic Opportunity Act of 1964, and submit a revised budget request for such activities for fiscal year 1974; to the Committee on Education and Labor.

By Mr. STEIGER of Wisconsin:

H. Con. Res. 176. Concurrent resolution requesting the President to negotiate with the Government of Canada to establish water levels for the Great Lakes; to the Committee on Foreign Affairs.

By Mr. VANIK (for himself, Mr. ASHLEY, and Mr. STOKES):

H. Con. Res. 177. Concurrent resolution requesting the President to negotiate with the Government of Canada to establish water levels for the Great Lakes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRASCO:

H.R. 6623. A bill for the relief of Marcia Cohen; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 6624. A bill for the relief of Alvin V. Burt, Jr. and the estate of Douglas E. Kennedy, deceased; to the Committee on the Judiciary.

By Mr. PRICE of Illinois:

H.R. 6625. A bill for the relief of James E. Brown and his spouse, Gloria M. Brown, and Max D. Rogier, and Brown Lathing and Plastering, Inc., to the Committee on the Judiciary.

By Mr. WALDIE:

H.R. 6626. A bill for the relief of Donald C. Talkington; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

127. By the SPEAKER: Petition of Alfred Pena, Chicago, Ill., and others, relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

128. Also, petition of the city council, Norwood, Ohio, relative to the regulation of imports; to the Committee on Ways and Means.