FATHER MIKE MARKS 25TH ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 15, 1974

Mr. GAYDOS. Mr. Speaker, the parishioners of the Ascension of Our Lord Church and the residents of the city of Clairton, Pa., recently honored a man who has achieved an outstanding reputation as a spiritual and community leader in western Pennsylvania.

I was privileged to attend the event and witnessed the esteem and respect accorded the Reverend Monsignor Michael Hrebin by the members of his church, the citizens of his community, and his family and friends. The occasion was the observance of Monsignor Hrebin's 25th anniversary of his ordination into the priesthood.

Father Mike, as he is affectionately known to many, is truly a unique individual. His interests are many, his energy boundless, and his endeavors too numerous to list. He is a man of genuine warmth and friendliness, who can easily instill faith and trust in those filled with doubt and suspicion. He is, to those who know him, an inspiration.

A native Pennsylvanian, Monsignor Hrebin was raised in Forest City, Pa., where his father was a cantor at St. John's Church. Father Mike was a member of the church choir and an altar boy. With this background, in addition to the influence of seven other cantors in his family, it is not surprising that he became well accomplished in the principles of ecclesiastical chants at an early age. At the age of 16, he became a cantor himself at St. John's Church in Lyndora, where he also organized a choir. Two years later he entered St. Procopius Seminary in Illinois, where he directed the Byzantine Choir and served as assistant organist in the Latin Rite liturgical services.

He was ordained on May 8, 1949, at St. Mary's Church in Whiting, Ind., and his first appointment was as assistant pastor at the Holy Ghost Church in Cleveland, Ohio. A year later, he was assigned to St. Michael's Church in Gary, Ind., and in 1952 returned to western Pennsylvania as pastor of the Holy Spirit Church in Pittsburgh. On November 1, 1959, Father Mike came to Clairton, where in May 1970, he was elevated to monsignor by Pope Paul VI.

As the pastor of Ascension Church, Monsignor Hrebin launched a major renovation and building program that has made the church's social hall the center for parish, diocesan, and community activities. He has cultivated and strengthened many spiritual programs within the parish and in areas of ecumenical affairs, Monsignor Hrebin was a founder of the annual Clairton Mayor's Prayer Breakfast and a member of the city's human relations commission.

His interest in music has never waned. As a priest, Father Hrebin organized and directed the 200-voice Midwest Byzantine Catholic Chorus and also has directed the 500-voice Western Pennsylvania Byzantine Catholic Chorus. He also arranged the music for the first English Mass celebrated by the Most Reverend Bishop Fulton Sheen in 1955 at Mount St. Macrina.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I take this opportunity to extend our formal congratulations to Monsignor Hrebin on the 25th anniversary of his ordination. As a personal friend of this remarkable man, I join the members of Ascension Church, the citizens of Clairton, and his family in wishing that God grant Father Mike many more years in His service.

HOUSE OF REPRESENTATIVES—*Thursday, May 16, 1974*

The House met at 12 o'clock noon.

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

Therefore, my beloved brethren, be ye steadfast, unmoveable, always abounding in the work of the Lord; forasmuch as ye know that your labor is not in vain in the Lord.—I Corinthians 15: 58.

Almighty God who has made and preserved us as a nation and whose creative spirit ever summons us to new frontiers of thought and action we pause in Thy presence as we turn another page in the chapter of our lives together as Members of Congress. Under the guidance of Thy Spirit we would greet the sunrise of another day.

May these hours be rich in the revelation of Thy presence and resplendent with the realization of Thy power to sustain us as we face the demanding duties of these disturbing days. Make our hearts centers of good will and move in our minds with wisdom as we seek to solve the problems that confront our Nation.

Give to us an increasing desire to minister to the needs of our people and to keep our Nation safe for democracy and secure with liberty and justice for all.

In the spirit of Christ we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 7, 1974:

H.R. 11793. An act to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions.

On May 10, 1974:

H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior; and

H.R. 9492. An act to amend the Wild and Scenic Rivers Act by designating the Chattooga River, N.C., S.C., and Ga., as a component of the National Wild and Scenic Rivers System, and for other purposes.

On May 14, 1974:

H.R. 9293. An act to amend certain laws affecting the Coast Guard.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 12412. An act to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa; and

H.R. 12799. An act to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes.

PERMISSION FOR SPEAKER TO DECLARE A RECESS ON TUESDAY, MAY 21, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that it be in order for the Speaker to declare a recess on Tuesday, May 21, 1974, subject to the call of the Chair, for the purpose of receiving in this Chamber former Members of the House of Representatives.

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

There was no objection.

SCHEDULE FOR CONSIDERATION OF APPROPRIATION BILLS

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

Mr. MAHON. Mr. Speaker, on recent occasions the majority leader has made reference to the heavy floor schedule the House will have in June in considering the appropriation bills. For the benefit of Members and others, I wish to state the tentative schedule for considering the appropriation bills.

Thus far this session the House has cleared the following appropriation measures:

Urgent supplemental for veterans;

Second supplemental for fiscal year 1974;

Legislative appropriation bill for 1975; and

Special energy research and development appropriation bill for 1975.

It is presently contemplated that the following appropriation bills will be before the House during the month of June:

Public works-AEC, Thursday, June 6.

State, Justice, Commerce, Judiciary, Tuesday, June 18.

Transportation, Wednesday, June 19.

Agriculture-Environmental and Consumer Protection, Friday, June 21.

Treasury-Postal Service-general Government, Tuesday, June 25.

HUD-Space, Science-Veterans, Wednesday, June 26.

Labor-HEW, Thursday, June 27.

District of Columbia, Friday, June 28.

Some of these bills are contingent on the completion of hearings and actions on authorizing legislation but this is the best picture available at this time.

Under the above schedule, four bills would remain after June—Defense, military construction, foreign aid, and Interior. It may be that the Interior bill can be considered in late June or at the latest, early July. The committee will complete hearings on the other three bills in June and will bring them before the House as authorizing legislation becomes available.

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT, FRIDAY, MAY 17, TO FILE CONFERENCE REPORT ON H.R. 14013

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight, Friday, May 17, to file a conference report on the bill (H.R. 14013) making further supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

I would say, Mr. Speaker, that a conference has been arranged for this afternoon in regard to this bill, and it is hoped that the conference report can be filed on Friday.

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 14368, TO PROVIDE MEANS OF DEALING WITH ENERGY SHORTAGES, AIR POLLUTION REQUIREMENTS, COAL CONVERSION

Mr STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14368) to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, MACDONALD, MOSS, DINGELL, DEVINE, BROYHILL of North Carolina, and HASTINGS.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON SENATE JOINT RESOLUTION 40, WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight Friday, May 17, 1974, to file the committee report on Senate Joint Resolution 40, as amended, to authorize and request the President to call a White House Conference on Library and Information Services.

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

Mr. WYDLER. Mr. Speaker, reserving the right to object, I just want to ask the chairman: Has this matter been cleared with the minority side?

Mr. PERKINS. Yes; it has been cleared with the minority side.

Mr. WYDLER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO HAVE UNTIL MIDNIGHT FRIDAY, MAY 17, 1974, TO FILE REPORT ON H.R. 14225, REHABILITATION ACT OF 1973

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight, Friday, May 17, 1974, to file the committee report on H.R. 14225, as amended, to amend and extend the Rehabilitation Act of 1973 for 1 additional year.

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

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, MAY 17 TO FILE REPORT ON H.R. 14747, EXTENDING THE SUGAR ACT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture have until midnight Friday, May 17, to file a report on the bill H.R. 14747, extending the Sugar Act.

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

There was no objection.

ARROGANCE AND POWER IN THE DEMOCRATIC CAUCUS

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

Mr. MARTIN of Nebraska. Mr. Speaker, when a duly constituted committee of the House spends 15 months developing a piece of legislation, it expects that it will be afforded at least the decency of a public hearing on the floor of the House. That was certainly what the 10 Members of the Select Committee on Committees expected when they accepted the difficult assignment of recommending changes in the House committee structure.

That hope was dashed last week when the Democratic caucus voted to sidetrack the committee reform package by sending it to a caucus subcommittee for "study and review." As the liberal-oriented Americans for Democratic Action pointed out, the action will probably have the effect of killing committee reform—because a majority of the Members of this caucus group have already announced their opposition to the reorganization plan.

Mr. Speaker, the Democratic caucus is an appropriate forum for conducting party affairs, but it is not a legislative body. It is not the place to write a complicated reorganization act—one that may affect the operations of this body for many years to come.

Is the Democratic caucus going to become a new house of Congress, arrogating to itself the powers which the House rules have placed in its legislative committees? Will the caucus begin to rewrite appropriations bills, or tax bills, or energy legislation? It seems to me that the House Members who voted to sidetrack the Committee Reform Amendments of 1974 should remember that the principle may not stop there. Other committees may be affected, other legislative jurisdictions invaded.

Mr. Speaker, the proper forum for considering House Resolution 988 the Committee Reform Amendments of 1974, is the House itself. The Members of the House created the select committee in January 1973, and the Members of the House should debate—and amend if they wish—the committee's product.

DEMOCRATIC CAUCUS PLAYING POLITICAL SHELL GAME

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

Mr. YOUNG of Florida Mr. Speaker, the Democratic caucus, playing the political shell game to the hilt, has referred the resolution of the Select Committee on Committees on committee reorganization to what is described as the Hansen committee.

This deplorable political action puts the blame for scuttling this reform package, House Resolution 988, which was unanimously reported by a bipartisan committee, squarely on the shoulders of the Democratic Party.

The caucus meeting was held in secret so it is not possible to document precisely what political reasons there were for this action. However, it is generally reported that one reason is the proposed ban on proxy voting. If that is accurate, it would be all the more reason for deep

concern about sidetracking the resolution.

The select committee had sound reasons to propose a ban on proxy voting. It is recommended as an integral part of the proposal to assure that each Member is assigned to one major, balanced committee. The proxy voting ban is to help improve attendance at committee meetings and help insure Member involvement in the deliberations and decisions of the committee and subcommittees.

It would be somewhat understandable, it seems to me, if the minority party in the House sought to promote proxy voting to extend its influence, though I would oppose proxy voting even in that case. But what is truly hypocritical is for the majority party to insist on being able to use proxies. Are they not satisfied with having the majority of the votes? Do they need proxies to magnify that majority even larger than it is?

This view that House procedures ought to be stacked in favor of the majority party speaks very eloquently as to how politically motivated the Democratic caucus was in its action on the select committee proposal.

THE MASSACRE AT MAALOT

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

Mr. FRELINGHUYSEN. Mr. Speaker, I should like to supplement the remarks made just now by the majority leader, Mr. O'NEILL, regarding the recent horrifying massacre of Israeli schoolchildren by Arab terrorists. As one of the many cosponsors of the resolution which Mr. O'NEILL and our minority leader, Mr. RHODES, have introduced, I hope it receives swift approval.

Action by Congress, however, can do little to erase the stain of this disgusting episode. Terrorism in recent years has unfortunately become almost accepted as a way in which certain elements in world society express their approval, or their disapproval of the activities of others. When terrorism is practiced on innocent children, however, it becomes totally intolerable. I can only hope that this vicious and unconscionable episode will prick the conscience of the world, and that the United Nations will move promptly and unequivocally to condemn such practices. Certainly our country must be in the forefront of efforts to express the world's abhorrence of such brutality.

SELECT COMMITTEE ON COMMITTEES FACES ENERGY CRISIS

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

Mr. DEL CLAWSON. Mr. Speaker, if this Nation faces an energy crisis, so, it appears, does the Select Committee on Committees. Without attempting to gage the amount of energy expended by each individual member, it is well to observe at this point in history that the select committee held 37 days of hearings and panels. It has worked long hours, even weekends and evenings, discussing and debating the workings of the House. It put together a trial package in December 1973 which represented its findings and was timed to provide the Members opportunity to react to specific recommendations. The deliberations of the committee were conducted in full public view and while not all were acceptable to all Members of the House, a sincere effort was made to increase the efficiency of this body. Now it appears the members of the committee face the realization that their energies were wasted. A secret Democrat caucus vote has sidetracked the reform package for reasons not clearly defined. This is the type of performance which illustrates graphically the need for the very reforms we apparently will be denied the opportunity of considering. My sympathies are extended to my esteemed colleagues, the members of the Select Committee on Committees.

THE MAALOT MASSACRE

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

Mr. GILMAN. Mr. Speaker, I rise today to urge support for a joint resolution introduced by the distinguished majority leader from Massachusetts (Mr. O'NEILL) and the distinguished minority leader from Arizona (Mr. RHODES) and supported by more than 350 of my colleagues in the Congress urging appropriate action by the President and the United Nations as a result of the heinous carnage at Maalot, resulting in the murder of 16 Israeli children and the wounding of 70 others.

Yesterday's brutal attack on the schoolchildren by the Popular Front for the Liberation of Palestine is the most cruel and offensive of all the barbaric acts carried on by the self-acclaimed liberators. Mrs. Meir's comment that "you do not conduct wars on the backs of children," understates the bitterness and contempt that the rest of the world should and must feel in reflecting upon this debacle.

With the fanatic, inhuman atrocity at Maalot, we are once again haunted by the specter of terrorism, and frustrated by the lack of control over these irrational barbarities. Today's newspapers report that of the 150 Arab terrorists arrested in Europe over the past 5 years, only 9 are still being held; the remainder having been set free to pursue other hapless victims.

These actions cannot be tolerated. It is incumbent upon all nations to express their outrage and indignation and to deal harshly with any terrorism. There is no room in our world for the abominable crimes committed at Maalot.

While the shocking effects of yesterday's massacre have momentarily overshadowed our peace negotiations in the Middle East, it is vitally important that we pursue our direct course for a peaceful negotiation. Steps toward a real settlement will underscore the futility of these abhorrent terrorist subversions.

REPORT ON DEFENSE APPROPRIATION AUTHORIZATION ACT, 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Armed Services:

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit the following report to the Congress on the progress made since my last report on February 20, 1974 in implementing the provisions of Section 812 of the Act cited above.

On April 25, representatives of the United States and the Federal Republic of Germany signed a new offset agreement covering fiscal years 1974 and 1975. The offset to be provided during this two year period is larger in dollar terms and provides more substantial economic benefits to us than any previous offset agreement. At an exchange rate of $1=DM 2.699, the dollar value of the agreement is approximately $2.22 billion over the two year period.

The composition of the agreement is generally similar to that of previous offset agreements, but there are a number of features that significantly increase its value to the United States, including substantial budgetary relief. As before, German military procurement in the United States represents the largest single element. In the present agreement it amounts to $1.03 billion (at $1.00=DM 2.669). Other attractive features include German willingness to continue funding the rehabilitation of facilities used by American troops in the Federal Republic; to take over the payment of certain real estate taxes and airport charges in connection with US military activities in Germany; to purchase from the US Atomic Energy Commission enriched uranium, including enrichment services; and—for the first time in the framework of an offset agreement—to finance US-German cooperation in science and technology.

As in the case of previous offset agreements, the new agreement makes provision for German purchases of special U.S. Government securities on concessionary terms. The significant interest savings resulting from an $843 million loan over seven years at 2½ percent, together with the above-mentioned German contributions to our troop stationing costs such as troop facilities rehabilitation and absorption of taxes and airport fees, substantially cover the additional costs we bear by deploying our forces in the Federal Republic rather than in the United States.

Benefits contained in the agreement constitute the major element in the effort to meet the requirements of Section 812. The agreement is the product of

many months of difficult negotiations, involving not only the negotiators appointed by our two governments, but also personal exchanges at the highest levels of the two governments.

In my last report to the Congress, I stated that U.S. expenditures entering the balance of payments as a result of the deployment of forces in NATO Europe in fulfillment of treaty commitments and obligations in FY 1974 are estimated to be approximately $2.1 billion. That estimate still holds.

I anticipate that the bilateral offset agreement with the Federal Republic of Germany, together with arrangements involving other Allies, will meet the requirements of Section 812. This will permit us to maintain our forces in NATO Europe at present levels. In this connection, I would like to point out that the NATO study on allied procurement plans, which I referred to in my last report to the Congress, indicates that allied military procurement from the U.S. in FY 1974 will be significant despite the fact that many of our Allies have suffered a worsening in their trade balance and face the possibility of even greater deterioration. I will provide the Congress with further information on satisfying the requirements of Section 812 in my August report.

RICHARD NIXON.

THE WHITE HOUSE, *May 16, 1974.*

RESIGNATION AS MEMBER OF MEXICO-UNITED STATES INTERPARLIAMENTARY CONFERENCE

The SPEAKER laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 10, 1974.

HON. CARL ALBERT,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Would it be possible for you to appoint someone to take my place on the Mexico-United States Interparliamentary Conference next month?

There are some very important meetings in my District during that time which I must be present for and, therefore, the Mexico trip would be inconvenient.

Best wishes, and thank you for your assistance in this matter.

Sincerely,

WILLIAM S. BROOMFIELD,
Member of Congress.

APPOINTMENT AS MEMBER OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–420, the Chair appoints as a member of the U.S. delegation of the Mexico-United States Interparliamentary Group the gentleman from Illinois, Mr. DERWINSKI, to fill the existing vacancy thereon.

PROVIDING FOR CONSIDERATION OF H.R. 13973, OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution No. 1111 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1111

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. 13973) to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. 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.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. PEPPER. 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. 225]

Boland	Hébert	Reid
Broomfield	Helstoski	Rogers
Carey, N.Y.	Holifield	Roncallo, N.Y.
Carter	Huber	Rooney, N.Y.
Chisholm	Johnson, Pa.	Rosenthal
Clark	Jones, Okla.	Runnels
Clay	Jones, Tenn.	Satterfield
Collier	King	Skubitz
Conyers	Kuykendall	Slack
Corman	Litton	Steele
Davis, Ga.	Long, Md.	Stephens
de la Garza	McCloskey	Stubblefield
Diggs	Maraziti	Sullivan
Dorn	Matsunaga	Talcott
Dulski	Mills	Teague
Esch	Minshall, Ohio	Udall
Findley	Morgan	Waggonner
Fountain	Murphy, N.Y.	Ware
Gray	Nichols	Wilson, Charles H., Calif.
Griffiths	Nix	Wyatt
Gubser	O'Hara	
Hansen, Idaho	Pettis	
Hansen, Wash.	Peyser	
Hawkins	Rees	

The SPEAKER. On this rollcall 365 Members have recorded their presence by electronic device, a quorum.

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

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT SATURDAY, MAY 18, 1974, TO FILE A REPORT ON H.R. 14832

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Saturday, May 18, 1974, to file a report on H.R. 14832, to provide for a temporary increase in the public debt ceiling, along with any separate and/or minority views.

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

There was no objection.

THE QUALITY OF JUSTICE

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

Mr. BROWN of California. Mr. Speaker, in ancient Egypt the highest civil officer was the vizier, appointed by the Pharaoh, who was considered both King and God. In those days when the highest officers of our land seem to have somewhat flexible standards in the carrying out of their duties, it may be well to recall the words of the Pharoah Thut-mose III, in appointing his vizier, Rekh-mi-Re, about 3,400 years ago.

Therefore, see to it for thyself that all things are done according to that which conforms to law and that all things are done in conformance to the precedent thereof in giving every man his just deserts. Behold, as for the official who is in public view, the very wind and waters report all he does; so, behold, his deeds cannot be unknown . . . to act in conformance with the regulation . . . The abomination of God is partiality. This is the instruction, and thus shall thou act; thou shalt look upon him who thou act; thou shalt look upon him who thou knowest like him whom thou knowest not, upon him who has access to thee like him who is far away . . . Behold, thou shouldst attach to thy carrying out of this office thy carrying out of justice.

These words obviously reflect a very deep concern throughout man's history. It would be well that they be particularly remembered today.

OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS OF 1974

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1111 provides for an open rule with 1 hour of general debate on H.R. 13973, the Overseas Private Investment Corporation Amendments of 1974.

H.R. 13973 extends the authority of the Overseas Private Investment Corporation until December 31, 1977. It provides authority for OPIC to enter into joint arrangements with private insurance companies and multilateral organizations and to issue reinsurance for such arrangements.

H.R. 13973 also expresses the intent of the Congress that OPIC act to transfer its functions of writing and managing insurance contracts to private insurance companies for other entities.

OPIC's insurance program offers pro-

tection against inconvertibility, war, revolution, and insurrection and expropriation.

Mr. Speaker, if I may say without immodesty, I have a particular interest and pleasure in commending to my colleagues the adoption of this rule so that this OPIC extension may be considered by the House. I had the privilege of being the original author of that legislation in the other body and in having a hearing before the Senate Committee on Banking and Currency in 1946. The matter went on for a number of years. I wrote an article for the Business Review magazine of the Baruch School of Business Administration of City College in New York on the subject which was considered by the student body and the faculty during those intervening years.

In 1961, the Congress first adopted this legislation, and the Baruch School of Business Administration in 1962 graciously gave me an award and a good dinner for being the Man of the Year in foreign trade for having been the original author of this legislation in 1946.

Mr. Speaker, I am pleased therefore, to commend to my colleagues this legislation and hope this rule will be adopted so that this meritorious measure may be approved by the House.

Mr. Speaker, I urge the adoption of House Resolution 1111 in order that we may discuss and debate H.R. 13973.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as has been noted, House Resolution 1111 provides for the consideration of H.R. 13973, the Overseas Private Investment Corporation Amendments of 1974, under an open rule with 1 hour of general debate.

The purpose of the Overseas Private Investment Corporation—OPIC—is to encourage U.S. private enterprise to invest in mutually beneficial projects in the developing countries. In order to achieve this goal, OPIC presently administers three major types of programs, one, investment insurance; two, financing; and three, investment information.

The primary purpose of this bill is to extend OPIC's authority through December 31, 1977. The bill provides authority for OPIC to enter into joint arrangements with private insurance companies or other entities and to issue reinsurance for such arrangements. The bill also includes an expression of the intent of Congress that OPIC act to transfer its functions of writing and managing insurance contracts to private insurance companies.

The Committee on Foreign Affairs estimates that passage of this bill will require no appropriation of funds.

Mr. Speaker, I support this rule.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no requests for time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. CULVER. 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. 13973) to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, 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. 13973, with Mr. PIKE 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 Iowa (Mr. CULVER) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. FRELINGHUYSEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Iowa.

Mr. CULVER. Mr. Chairman, the House has before it today H.R. 13973, a bill to amend the Foreign Assistance Act of 1961 with respect to the Overseas Private Investment Corporation which was created by the Foreign Assistance Act of 1969 to take over the private investment incentive programs being operated by AID. The purpose of these programs is to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social progress of less-developed countries.

During 1973 the Subcommittee on Foreign Economic Policy undertook an exhaustive investigation of OPIC. The study was prompted by the fact that OPIC's legislative authority was to expire on June 30, 1974. An extension through the end of 1974 was authorized by Congress in order that the subcommittee have sufficient time to conduct a full and complete study. Though OPIC's primary purpose is developmental, the lengthy investigatory hearings were held so as to take full account as well of the rising concern and debate over the role of the multinational corporation.

On October 21, 1973, the subcommittee issued a report which set forth 26 recommendations. They included an extension of OPIC's operating authority, a transferal of OPIC's role in issuing insurance contracts to private insurance companies, and various policy guidelines aimed primarily at enhancing the developmental impact of OPIC's programs. On April 30 the Committee on Foreign Affairs reported out H.R. 13973, which provides the legislative authority to implement those recommendations.

The primary initiative of this legislation is to set a course toward private insurance companies and/or multilateral institutions taking over OPIC's function of issuing insurance contracts, with OPIC assuming the role of reinsurer. The bill authorizes OPIC to issue reinsurance and to enter into joint arrangements with private insurance companies and other entities for the purpose of sharing its risks. In addition, it expresses the intent of Congress that OPIC should place an increasing portion of the function of writing insurance contracts with private insurance companies, with the aim of completely terminating its role as insurer by 1979–80. If OPIC is unable to meet any of the deadlines for the phased conversion to privatization, it must report the reasons to the Congress.

The phaseout dates were made nonmandatory in order to reconcile two seemingly conflicting objectives—while it was thought important to give a clear expression of the intent of Congress, it was inappropriate to write mandatory dates into law. Given the lack of experience with joint arrangements between OPIC and private insurance companies, there is no certainty that total privatization can be achieved. OPIC is still negotiating with the American insurance companies, and placing OPIC's role in too ridged a cast might jeopardize those rather delicate talks. As the House will continue to assess the ability of foreign investment and of OPIC to promote the development of less-developed nations, it will continue closely to scrutinize the program and the conversion to privatization.

The bill includes various policy guidelines for OPIC. It is directed to give preferential consideration to its programs in the least developed of the LDC's, the cutoff mark for which is set at a per capita income of $450—in 1973 dollars. OPIC should also give preferential consideration to projects by small businesses, which are defined as having net worth of not more than $2.5 million or total assets of not more than $7.5 million. The bill directs OPIC to serve as a broker between the development plans of developing countries and U.S. investors by bringing investment opportunities to the attention of potential investors.

To take account of the legitimate concern regarding the impact of U.S. investment abroad on the U.S. domestic economy, the subcommittee wrote into the bill a stiff provision on runaway plants. OPIC must reject any application for a project that would significantly reduce the number of the investor's U.S. employees as a result of the replacement of U.S. production with production involving substantially the same product for the same market. OPIC must monitor the projects to insure that this provision is not violated after the investment is made. The bill also directs OPIC to consider the environmental impact of projects.

The bill authorizes a 3-year extension of OPIC's operating authority. The primary reason for a 3-year rather than a 2-year authorization is that it will give OPIC a better chance to negotiate a 3-year contract with the private insurance companies, rather than a 1- or 2-year contract. The extra year will not weaken congressional oversight, as the bill requires OPIC to report to Congress by January 1, 1976, on the possibilities of transferring its activities to private insurance companies or multilateral organizations.

Another provision of the legislation

prohibits OPIC from issuing insurance for more than 90 percent of the value of an eligible project, thereby assuring that the investor retain at least 10 percent of the risk. The purpose is to discourage investor behavior which might induce the host government to expropriate or otherwise jeopardize an investment. However, small businesses and institutional lenders would be exempt from this requirement.

Under current statute, OPIC can request a congressional appropriation without first obtaining a specific authorization. The bill would end this practice and also not allow any appropriation unless the insurance reserve dropped below $25 million. However, in order to meet its obligations, under emergency conditions, OPIC would be allowed to borrow for a limited period of 1 year up to $100 million from the U.S. Treasury.

The bill extends the agricultural credit and self-help community program, which is designed to bring assistance to the "grassroots" level by making available credit ranging in amounts from several hundred dollars up to $10,000 for local self-help projects. It amends the existing statute to permit OPIC to guarantee up to 50 percent of the loans under that program, rather than 25 percent. It is hoped this change will help attract additional local capital to the program. The bill also moves the program beyond the pilot stage and lifts the limitation of the program to five Latin American countries. It is intended that the program be extended to as many countries as is appropriate within the guidelines of the program and considering the interests of developing nations.

It is hoped that this legislation will provide the Overseas Private Investment Corporation with the needed legislative authority and guidance to conduct its operations in the public interest as well as the necessary flexibility to negotiate a beneficial and workable arrangement with private insurance companies.

Mr. Chairman, I would like to point out one particularly important provision in this legislation.

A most important concern of the subcommittee in its deliberations was the impact of OPIC's programs on U.S. employment. In this regard, the subcommittee heard testimony from the AFL–CIO, and subsequently wrote into the bill a stiff provision on runaway plants. This clause prohibits OPIC from issuing any contract of insurance, reinsurance, or guaranty or providing financial assistance for a proposed investment that is likely to cause a significant reduction in the number of the investor's U.S. employees. Furthermore, the provision directs OPIC to monitor the representations made by investors in regard to this matter.

In fact, in March 1972, OPIC established a rigorous set of guidelines for analyzing the effects of a proposed project on the U.S. balance of payments and employment. Under those guidelines, OPIC would not issue a contract for a project which involved the closing down of a U.S. plant and reestablishing it overseas. Nor would OPIC extend coverage to a manufacturing project that was likely to export more than 20 percent of its output to the United States; in particularly sensitive fields, such as textiles, shoes, and consumer electronics, this level was raised to any significant amount of exports to the United States. Since establishing these guidelines, OPIC has rejected a number of applications for the very reason that they failed to meet the criterion.

The purpose of the runaway plant clause in H.R. 13973 is to insure that OPIC continues to abide by these rules and to apply them strictly. Under such conditions, the effect of OPIC's programs actually will be to increase domestic employment. Several studies of U.S. foreign investment have demonstrated that the overall effect of that investment is to increase employment in the United States through the export of capital goods to foreign plants and through the supplying of unprocessed items to feed U.S. manufacturing industries. So, the effect of this provision will be to assure that OPIC-assisted projects are actually more beneficial to the U.S. economy and employment than the average U.S. foreign investment.

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

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

Mr. FASCELL. Mr. Chairman, I rise to commend the gentleman in the well, the distinguished gentleman from Iowa, and his subcommittee for having undertaken a very exhaustive review of the operations of OPIC. The committee's oversight extended to both the complex matters of U.S. objectives and foreign policy impact, as well as domestic considerations with regard to the impact on labor and industry. I commend the gentleman also because of the leadership which is reflected in this bill on the transition and new direction for OPIC to take and to include the guidelines for future operations, both of which seem to be to be a wise course of action.

The gentleman from Iowa has given long and devoted interest to this matter and he has made a very important contribution to the foreign policy of the United States.

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

Mr. Chairman, let me say, first of all, that tribute should be paid to the leadership of the gentleman from Iowa, who serves as chairman of the Foreign Economic Policy Subcommittee.

I want to express my strong support for H.R. 13973, which extends the operating authority of the Overseas Private Investment Corporation (OPIC) through 1977.

The gentleman from Iowa (Mr. CULVER) has provided us with the background of OPIC and the specific provision of this bill so I shall be brief. OPIC was created by the Congress in 1969, and given responsibility for operating the private investment incentive programs that previously had been conducted by the Agency for International Development. Guarantee programs for private investment were first begun under the Marshall Plan, and later were redirected to assist development in less developed countries by providing insurance coverage against expropriation and other risks.

The Committee on Foreign Affairs through its oversight activities has taken a keen interest in investment incentive programs. Last year our Foreign Economic Policy Subcommittee held extensive hearings on OPIC's operations which clearly revealed that the new corporation is successfully carrying out its mandate from Congress.

Mr. Chairman, OPIC's success and expertise will make it possible for that corporation to undertake an experiment proposed in this bill. I refer to the committee's proposal that OPIC be given authority to enter into joint arrangements with private insurance companies, and be directed to move as rapidly as possible toward transferring the writing and management of its political risk insurance contracts to private insurance companies. That is a worthy objective and I trust it can be achieved.

I should point out that there is general agreement within our committee that OPIC should continue to fulfill its original purpose of effectively and selectively encouraging U.S. private investment in developing countries, a process mutually beneficial to such countries and to the United States. This purpose should not be sacrificed as private insurance company participation in the insurance program is achieved.

In extending OPIC's authority for 3 years, our committee recognizes that private investment reduces the need for government-to-government foreign aid. Private investment creates jobs, provides foreign exchange, develops management skills, and increases a nation's capacity to develop economically. This bill adds new mandates to strengthen and intensify OPIC's role in channeling U.S. private investment into countries and fields where it is most needed.

I strongly support our committee's decision to modify the position taken in 1971, restricting OPIC's assistance of projects in Indochina countries. As peace is restored in South Vietnam, private investment can accelerate that country's achievement of self-support. It is interesting to note that the Japanese have already resumed private investment in Vietnam with the support of their Government's insurance program. South Vietnam has great potential for economic progress, and the United States should assist in that development by encouraging proper types of private investment which will reduce the need for direct U.S. Government support.

The Committee on Foreign Affairs, therefore, has recommended the prudent exercise of OPIC's authority in Indochina. The committee has directed OPIC to consult with the relevant committees of Congress to the maximum extent possible concerning its plans and operations in South Vietnam, Laos, and Cambodia. OPIC is required to provide the committee with formal documentation of its operations in Indochina, including plans for its overall program and specifics on individual investment projects. This per-

mits us to have continuing congressional oversight over OPIC's operations in this areas.

In conclusion, Mr. Chairman, I believe this legislation charts a sensible new course for the Overseas Private Investment Corporation.

I urge my colleagues to support this bill.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I would like to voice my support of H.R. 13973, a bill which extends the life of the Overseas Private Investment Corporation and authorizes it to bring increased private risk-taking into its insurance program.

It was argued by some when OPIC was created in 1969 that removing these *programs from* the AID agency would increase the cost to the taxpayers and put the programs into the hands of a new breed of bureaucrats.

I am happy to say, too, that the first prediction has been proven erroneous. When OPIC began business in 1971, it inherited from the AID agency $400 million in claims and $85 million in insurance reserves. Now, some three years later, pending claims are only $4 million and its reserves are $186 million. In addition, the Corporation is earning over $30 million per year, which after payment of the agency's expenses of $4 million, goes into its reserves.

This record shows that the second prediction—that the programs are now operated by a new breed of bureaucrats—has fortunately proven correct. I only wish for the taxpayers' sake that this new breed was more prevalent.

As is clear from the terms of this bill, the Congress has come to expect a lot of OPIC. Substantial goals were set for the Corporation in 1969.

Detailed studies by the Foreign Economic Policy Subcommittee, the GAO, and the Library of Congress have shown that these goals have been met. Now, we set new ones in this bill, including the goal of turning much of this 25-year-old *Government* program over to the private sector.

These goals, by the way, are not just congressional objectives. Almost from its beginning, OPIC has worked toward their fulfillment. Therefore, I am confident, and this is also true of an overwhelming majority of the Foreign Affairs Committee, that OPIC will, with our support, accomplish these goals.

I also want to point out, however, that we should not lose sight of the critical public interests served by OPIC. Certainly, no one now contends that government-to-government aid can accomplish the enormous task of building the economies of the poorer countries. Therefore, private enterprise must continue to play the role it has long played in bringing new jobs, technology, and skills to the poor around the world. I am particularly pleased that the Foreign Affairs Committee has lifted its ban on OPIC operations in Indochina. With OPIC's businesslike approach, I am confident that the benefits of its programs can help these countries achieve self support, without undue risk to the U.S. taxpayer.

In conclusion, I hope that the broad bipartisan support that OPIC has received in the subcommittee and committee will be reflected in the vote on H.R. 13973.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman from New Jersey for yielding to me.

Mr. Chairman, I am pleased to join the gentleman from Iowa and the gentleman from New Jersey in support of H.R. 13973, legislation I am cosponsoring, which extends authority for the Overseas Private Investment Corporation until 1977 and which establishes a timetable for the phased transfer of the direct insurance functions of OPIC to private companies and multinational lending institutions.

As a member of the Subcommittee on Foreign Economic Policy of the House Foreign Affairs Committee, I have participated in extensive hearings chaired by the distinguished gentleman from Iowa (Mr. CULVER) and have taken part in a thorough Latin American oversight investigation of the effects of OPIC on our South American neighbors.

As a result of these hearings and investigations, it is evident that OPIC serves a useful purpose in furthering our Nation's objectives in the developing world.

It is encouraging to note the positive evolution of OPIC. While operating as part of our AID program, U.S. assistance with foreign investments suffered from financial difficulties necessitating Federal subsidy. Today, however, as a result of sound and selective investment decisions, OPIC operates more effectively, without imposing any drain on taxpayers funds, which at the same time improving our trade recreation with other nations.

Accordingly, I urge my colleagues to vote in support of extending OPIC's authority as a vehicle for assisting our development goals in other parts of the world by encouraging U.S. investment overseas.

Mr. CULVER. Mr. Charman, I yield 1 minute to the gentleman from Florida, (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I rise in support of the pending legislation. This is another of a series of steps undertaken by the Foreign Affairs Committee to provide new initiatives with respect to foreign policy objectives and development considerations of the United States.

Members are aware of the fact that last year we provided a new thrust with respect to the foreign aid programs. We are here today with a bill which provides a new direction, a very important one, tending towards transition to privatization of OPIC. This is reflective of the energy and intention of the Foreign Affairs Committee to continue to make improvements and to take initiatives in foreign policy matters of our Government.

Mr. Chairman, as chairman of the Subcommittee on Inter-American Affairs, I have long been interested in the Overseas Private Investment Corporation and its predecessor office in AID, both of which have operated extensively in the countries of Latin America and the Caribbean.

I supported the establishment of OPIC back in 1969, and I think the legislation we have before us today, H.R. 13973, the OPIC Amendments Act of 1974, represents a reasonable next step in the evolutionary process of this agency. The formal organization of OPIC in 1971 as a Government corporation has permitted the program to operate with the best features of two worlds: first, OPIC has brought from the private sector a businesslike approach to the program, particularly with respect to the application of principles of risk management to the selection of new projects; and secondly, the corporation has continued to carry out the public policy objectives of the program mandated by Congress. OPIC's Board of Directors symbolizes the blending of public and private expertise. Included on the Board are the Administrator of AID and senior representatives of the Departments of State, Treasury, and Commerce.

The Board also includes six members from the private sector. Thus, each project is subjected to broad scrutiny by the Board, both in terms of the Government's interest and in terms of a variety of private interests. Private membership on the Board includes, by law, representatives of organized labor, small business and cooperatives. OPIC has shown continued profitability in its operations while maintaining the programs commitment to assist only projects which are truly helpful to the economic development of poor countries.

The success of the Overseas Private Investment Corporation has encouraged the Foreign Affairs Committee to recommend to the House of Representatives the legislation we are considering today. This bill represents a significant new step in the historical development of this important program of providing incentives selectively to private investors interested in going into developing countries. The bill extends OPIC's authority for 3 years, through December 31, 1977. Further, it encourages OPIC to continue experiments already begun to determine the feasibility of turning over to the private sector all of its direct underwriting responsibilities. Private insurance companies have shown considerable interest in engaging in an experimental arrangement with OPIC to determine how much of the program can be undertaken by the private sector. The long-range goal of this legislation is for OPIC to phase out as a direct underwriter of investment insurance and for private insurance companies to take this over, with OPIC acting as a reinsurer against exceptionally large, catastrophic losses.

I think this approach makes sense, but only if the public policy objectives of the program continue to be of primary importance in the selection of projects to assist by way of political risk insurance. It is essential that in the agree-

ment OPIC negotiates with private insurance companies provision is made for guidelines in the writing of insurance which require that projects assisted contribute to the economic development of the host country. In my mind, this is fundamental to continued Government involvement in this program.

Private investment must play an essential role in the economic development process. OPIC contributes a careful appraisal and selectivity to each project it assists to make sure that those projects insured are beneficial, not detrimental, to the development process.

Mr. Speaker, this is a unique experiment. This legislation reverses the trend toward "big government" and represents an attempt to transfer to the private sector a program that has traditionally been a Government function.

I support this effort, and urge my colleagues to do the same.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Chairman, as the ranking minority member of the Subcommittee on Foreign Economic Policy, I want to indicate my support for H.R. 13973, the OPIC Amendments Act of 1974. I would like to compliment the chairman of the subcommittee, Congressman JOHN C. CULVER of Iowa, for his hard work and his fairness.

The Subcommittee on Foreign Economic Policy undertook an extensive amount of study and research on the Overseas Private Investment Corporation before it approved this legislation. Extensive hearings were held early last summer, several members of the subcommittee undertook a study mission to Latin America, and lengthy reports on OPIC were prepared by the Congressional Research Service and the General Accounting Office.

The basic purpose of this bill is to provide OPIC with a 3-year extension of its authority through December 31, 1977, and to give OPIC the legal authority to enter into joint underwriting agreements with private insurance companies, and to reinsure such arrangements. The bill sets goals for OPIC to achieve during the 3-year period of its extension with regard to the amount of private insurance company participation which should be achieved. If these goals are not met, OPIC must come back to Congress, and explain why they were not met and when they expect to meet them.

The process of involving private insurance companies in what has traditionally been a Government program began back in 1971 when OPIC was formally organized. Shortly after its organization, after failing to interest U.S. private insurance companies in the program, OPIC went to Lloyd's of London and negotiated the first of a series of reinsurance agreements. The success of OPIC's relationship with Lloyd's has now encouraged private U.S. insurance companies to become interested in the program, and OPIC advises me they are hopeful of concluding negotiations soon with private companies to set up a consortium with those companies. Under this arrangement, private companies would assume a significant portion of OPIC's potential insurance liabilities in return for a share of OPIC's premium income. The profitability of the OPIC program since the agency was organized has encouraged private companies to take this step.

It is rare that a Government agency voluntarily attempts to transfer a major portion of its program to the private sector. This effort by OPIC represents an encouraging contrast to the normal inclination of most Government agencies whose natural instincts are to grow and expand.

This legislation before us today represents the Committee's judgment that OPIC can acomplish this "privatization" without sacrificing the important public policy objectives of the program to assist in the economic development of poor countries. Private investment has an important role to play in this area, and clearly can help to reduce the demand for foreign aid funds.

For these reasons, I support this legislation, and I hope my colleagues will also support it.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

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

Mr. Chairman, I rise in support of H.R. 13973. I am particularly pleased with the new direction which this measure provides.

The rationale for the Overseas Private Investment Corporation and its predecessor agencies rests on the assumption that American investment abroad contributes to economic development in the host country. It is this thesis which this body must examine today.

In so doing, there are three subordinate questions which demand answers.

First, does foreign investment contribute to development in the host country? My fellow economists concur that the contribution to domestic growth, in part, depends upon the nature of the foreign investment. True, investment funds emanating from abroad do create jobs. Too, they contribute to the host nation's foreign exchange holdings. Any exportation of goods and services, produced as a result of the investment, further enhance the host country's ability to buy needed equipment abroad. Foreign investment also expands the host state's tax base.

But foreign investment also may impose certain costs upon the economy in which it is made. The human resources activated by the investment might better be used for other productive purposes. Any exports generated by the investment, while accruing foreign exchange earnings, deplete the host country's natural and physical resources. These foreign exchange holdings, however, are dissipated as the investor converts his earnings into his own currency. Further, as repatriated earnings exceed the total amount of the investment, disinvestment in the host country results.

In the light of the foregoing, economists agree that foreign private investment contributes only minimally to economic development in the host country. Instead, there are other, more effective, alternatives by which economic growth can be achieved.

Second, does insurance against loss due to expropriation, inconvertibility, and war stimulate foreign investment? The answer, of course, is "no." An investment opportunity is not attractive because it offers war, convertibility, and expropriation protection. Rather, the principal—indeed, only—reason for any investment—be it domestic or foreign—is the prospect of a profit. Thus, any economic development to which OPIC-insured investments might have contributed stems not from OPIC's role but from the anticipation of profits.

Third, was OPIC an important factor in those instances where American firms decided to invest abroad? In answering this query, it must be remembered that OPIC's portfolio covers only $3 billion of our total $80 billion in private foreign investment. From my own inquiries, I have found that when U.S. companies did obtain OPIC coverage, the fact that such insurance was available was only a marginal consideration. In fact, most of my contacts responded that, motivated by profit prospects, they would have approved the investment decision even if OPIC insurance had been unobtainable.

In summary: First, private foreign investment contributes minimally to economic growth in the host country; second, profit, rather than OPIC insurance, stimulates investment abroad; and third, the availability of OPIC coverage has been marginal in investment decisions.

For these reasons, Mr. Chairman, I have concluded that OPIC's direct insurance role should be phased out. Indeed, this is the thrust of H.R. 13973. This bill provides that, effective December 31, 1979, OPIC should cease writing expropriation and inconvertibility insurance. By December 31, 1980, OPIC should discontinue its war risk insurance program. In addition, H.R. 13973 expresses the intention that by 1980 two special programs authorized by section 234(b) through (e) and section 240 be turned over to other governmental agencies and their activities limited to those countries with a per capita income of $450 or less—in 1973 U.S. dollars. This means, Mr. Chairman, that by January 1, 1981, OPIC's role should be limited to that of a reinsurer. If this objective is achieved, OPIC will escape the "development" myth under which it has labored and can pursue its true mission, that of enhancing the competitive position of American firms in foreign markets.

Because it does represent a significant and needed change in direction, Mr. Chairman, I shall vote affirmatively for H.R. 13973. I urge my colleagues to do likewise.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. VANDER JAGT).

Mr. VANDER JAGT. Mr. Chairman, I rise in strong support of this legislation which extends for 3 years the Overseas Private Investment Corporation.

When OPIC was set up by the Congress in 1969, it was given a mandate to facilitate and mobilize participation by

U.S. private capital and skills in the economic development of less-developed countries. OPIC has had phenomenal success in carrying out that mandate through a program of insurance against expropriation, inconvertibility, and war; through limited financing; and through promotion programs. OPIC has made it possible for a less-developed country to compete on a far more equal footing with a more-developed country for that precious American investment dollar, and it has done this without cost to the taxpayer. OPIC does not cost money; it makes money, and I know of no other agency that we have set up that can make that same claim.

Mr. Chairman, I know that the less developed countries desperately desire this kind of program.

A little over a year ago I was in the Sudan and was intrigued that in that largest country in all of Africa there is only about one paved road. It leads out of the heart of the capital city, Khartoum, about 80 miles into the interior. The Sudanese call that road "the American way," not because it was built with U.S. foreign aid dollars but because clustered along both sides of that road are about the only private businesses and commercial enterprises in that entire country.

The Sudanese put their hope for economic development in those free enterprise businesses.

Mr. Chairman, on the day I was there, it was a national holiday, when families are supposed to be together. In spite of that, 70 Sudanese turned up at the town hall to meet with me and to plead with me to do whatever I could to encourage U.S. private investment in their country in order to help in their economic development.

The doors are open wide in Sudan and all around the world in the less-developed countries for U.S. private business investment. It is the task of OPIC to lead our U.S. industries through those open doors, where opportunities await them and also await the host country, and in the process there are opportunities for the objectives of U.S. foreign policy.

This is a very unique bill, because those who favor foreign aid should vote for it, inasmuch as it delivers the kind of foreign aid that is most desperately desired. Those who oppose foreign aid should support the bill, because it provides aid without any cost to the taxpayer and reduces the need for appropriated foreign aid.

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

Mr. VANDER JAGT. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I will ask the gentleman this:

It does impose a $600-million obligation upon the people of this country; does it not?

Mr. VANDER JAGT. Mr. Chairman, any insurance program, whether it be life insurance or health insurance, imposes some obligation. OPIC charges higher premiums for this type of insurance than any other Government program anywhere in the world.

That is why it has been judged to be actuarially sound, and the proof of that is found in the willingness of private insurance companies to come in and participate in the risk program.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I will ask this:

That is the opinion of the gentleman, that it will be actuarially sound, and that it will not come back to haunt the people and the taxpayers of this country to the tune of $600 million; is that correct?

Mr. VANDER JAGT. Mr. Chairman, that is certainly our hope, and I join with the gentleman from Iowa in expressing that hope. I might also say that I believe conservatives should support this bill, because with this bill we export our most priceless commodity, and that is the magic of our free enterprise system.

I believe the liberals should also support the bill, because it is the only vehicle of which I am aware whereby the U.S. Government can shape the nature of investments being made, thereby maximizing the investments acceptability to the host country and minimizing the possibility of confrontation or expropriation.

Mr. Chairman, in closing, I would like to pay tribute to the chairman of the Subcommittee on Foreign Economic Policy, the ranking member of that that subcommittee, but particularly to the chairman for the intelligence, the skill, and the diligence with which, for over a year, he has developed this very fine piece of legislation. I believe we all owe him our heartfelt thanks for the quality of this legislation which is before us.

I would also be remiss if I did not pay tribute to the leadership of Mr. Marshall Mays, the president of OPIC, and his staff. In 1969 we gave OPIC two directives. On one hand we said, "Operate this on a businesslike basis and make money," which they did, and at the same time we said, "Make your investments in the least developed countries where the risk is the greatest, because there the need is also the greatest."

Somehow they have been successful in meeting those two somewhat conflicting mandates. All of us can take justifiable pride in the job OPIC has done. I believe all of us can support this bill with great pride and enthusiasm.

Mr. CONTE. Mr. Chairman, I rise today to express my strong support for the Overseas Private Investment Corporation and for the OPIC Amendments Act of 1974, H.R. 13973.

As a member of the Subcommittee on Foreign Operations of the Appropriations Committee, I have been following OPIC carefully since the passage of the original authorizing legislation in 1969, and its formal organization in January 1971. When OPIC took over this program from AID, OPIC was at once confronted with a very serious financial situation. Its investment insurance program faced over $400 million in claims, primarily resulting from expropriations in Chile. And, as a consequence the program had only about $85 million in reserves. Many people thought OPIC was bankrupt and that the program would result in failure.

Today I am pleased to note, however, that OPIC's financial situation has improved considerably in 3 short years. OPIC's reserves are now about $186 million, and pending claims are only $4 million.

OPIC's net income is now over $30 million a year. The Corporation pays all of its own administrative expenses, currently running at about $4 million a year, which is less than the annual interest earned on the investment of premium income.

In summary, OPIC's financial position has improved considerably, and the prospects for the future are good.

Since OPIC took over this program in 1971, it has undertaken a number of efforts to incorporate risk management practices designed to reduce potential claims. Beginning in 1971, OPIC negotiated a series of reinsurance arrangements with Lloyd's of London under which Lloyd's shares in the payment of claims. A new, 3-year agreement which became effective on January 1, 1974, provides that Lloyd's will pay about 45 percent of any expropriation claim in any country, with annual limits of about $18 million per country and $55 million worldwide.

Further, OPIC now has designed an experimental plan for a joint underwriting association with private insurance companies. The bill today before the House contains the necessary statutory authority to establish the proposed association, as well as a mandate to determine by actual experience how much of OPIC's insurance program ought to be turned over to the private sector.

Specifically, this experimental plan will determine the feasibility of turning over all investment insurance underwriting to private insurance companies, with OPIC gradually reducing its total reinsurance of private insurers against exceptionally large losses.

At the same time, OPIC has provided assurances of fulfilling the necessary public objectives of the program. This means that projects approved by the joint OPIC-private, or eventually wholly private insurance association, will have to qualify as helpful to the economic development of their host countries, and be projects which are not harmful to our U.S. balance of payments or domestic employment.

The legislation that we are considering today has a lengthy history behind it. Beginning last summer, the foreign economic policy subcommittee of the foreign affairs committee held 9 days of oversight hearings on OPIC. In connection with that, the Congressional Research Service did a lengthy study on OPIC.

Later last summer, the Subcommittee on Multinational Corporations of the Foreign Relations Committee held 6 days of hearings. In connection with the Senate hearings, the General Accounting Office conducted a study of OPIC over a period of about 8 months. The subcommittee completed their reports last fall, and the Senate passed its version of the legislation on February 26, 1974.

The Foreign Economic Policy Subcommittee again held hearings. This spring on March 20 H.R. 13973 was reported by the Foreign Affairs Committee on May 2.

As a result of these hearings and reports, a substantial amount of congressional time and thought has gone into the development of this legislation. To my knowledge, this is an unprecedented attempt to develop this type of public sector-private sector relationship.

The Congress is trying to "privatize" this important program, while at the same time retaining sufficient policy control to maintain its public policy objectives. Today's legislation envisages a long-term role for OPIC as a reinsurer and assurer of the program's public policies. I believe this role is appropriate for OPIC.

OPIC's fundamental purpose is to encourage U.S. private investment in developing countries that will prove helpful to their economic development. Private investment is an integral part of the economic development process. Government-to-government assistance is important, too; but, if these countries are going to become self-sufficient, they must have viable economies. They need the capital, technology, and entrepreneurial drive we know that U.S. private investment can provide.

I am delighted to note that the distinguished chairman of the Foreign Economic Policy Subcommittee, the gentleman from Iowa (Mr. CULVER), added an amendment during the subcommittee markup of this legislation which helps our strong, personal interest in full domestic U.S. employment. This important amendment prohibits OPIC from assisting any foreign investment which would result in a reduction of a company's employment in the United States by transferring its production overseas to serve the same market now served by a U.S. plant. OPIC now has a clear statutory obligation to assure the investor's conformance with his representations to OPIC in this regard. OPIC will monitor this required investor conformance and will report to the Congress each year.

This amendment is consistent with the policy OPIC has been following since 1972, but the policy will now be expressed as a matter of law. This is sensible and should meet the legitimate concerns of labor about the "exporting of jobs" and "runaway industries."

The legislation before the House today also directs OPIC to attempt to operate the insurance program on a self-supporting basis. Further, it prohibits OPIC from seeking appropriations unless its reserves are reduced to $25 million. As a member of the Appropriations Committee, I support these provisions. OPIC earlier this year testified that it did not expect to call on the Congress for further augmentation of its reserves except for an unforeseen extreme catastrophe. That is as it should be for the Overseas Private Investment Corporation.

In conclusion, Mr. Chariman, I wish to express my strong support for this legislation and to urge its prompt passage. Thank you.

Mr. WOLFF. Mr. Chairman, I rise to support H.R. 13973, the OPIC Amendments Act of 1974. Back in 1969, I authored the original House legislation which provided for the establishment of the Overseas Private Investment Corporation. Since then, as a member of the Subcommittee on Foreign Economic Policy, I have regularly reviewed the progress OPIC has made during the 3½ years of its existence, and the development of the legislation we are today considering.

I have supported OPIC and its legislation through the years because I firmly believe that private investment is an essential ingredient in the mix needed for poor countries of the world to develop their economies. Our foreign assistance programs, are desirable, but private investment is also needed if developing countries are to make progress toward becoming economically self-sustaining. Such investment helps to provide the jobs, foreign exchange, technology, and skills which are so urgently needed.

OPIC performs a useful role by carefully reviewing each project which comes to it for investment insurance or financing to make sure that such projects are truly helpful to the economic development of the poor country, while at the same time are beneficial to the U.S. balance of payments and are not harmful to domestic employment. Without OPIC, there is no U.S. Government agency which would review private investment projects to determine either their impact on the host countries, or on States.

Since 1971, OPIC has been working with private insurance companies in an effort to determine how much of its program can be turned over to the private sector. After several years of successful relationships with Lloyd's of London, OPIC has now been able to interest U.S. private insurance companies in participating in the OPIC program in a substantial way. Negotiations should be concluded soon which will lead to the establishment of a joint private-OPIC underwriting association in which private insurance companies will assume a significant portion of the potential claims liability on insurance issue, in return for a portion of the premium income collected by OPIC.

H.R. 13973 gives OPIC a 3-year extension of its authority through 1977, and provides the agency with the statutory authority needed to determine the feasibility of eventually turning over all of its insurance operations to the private sector.

The bill establishes interim goals which OPIC must achieve during the 3-year extension of its authority. If these goals are not achieved, OPIC must report to Congress on the reasons for its inability to achieve the goals, and the date by which such goals can be achieved.

The Foreign Affairs Committee also approved an amendment I offered during markup of H.R. 13973 which extends the authority for OPIC's Advisory Council through December 31, 1977. Under the Federal Advisory Committee Act of 1972, such advisory councils automatically terminate unless they are extended by law. OPIC's Advisory Council has assisted the agency, particularly the Insurance Advisory Committee which has dealt specifically with the problems and policy questions involved with regard to private insurance company participation in the program. Since the OPIC Advisory Council has made significant contributions to the program at a very small cost, I believe its authority should be extended consistent with the extension of OPIC's overall authority.

In conclusion, Mr. Chairman, I believe this is a good program which should be continued. The legislation provides OPIC with the authority needed to allow the agency to engage in a virtually unprecedented experiment to transfer a going Government program to the private sector. I believe this can be achieved while still fulfilling the public policy objectives of the program.

Mr. Chairman, I urge the passage of this legislation.

OVERSEAS PRIVATE INVESTMENT CORP.

Mr. HANNA. Mr. Chairman, I rise to support the extension of OPIC because I think it has shown the capacity of doing a great deal of good while at the same time avoiding the use of taxpayer money, and I have no doubt that this will continue in the future.

The idea of helping the poor countries of the world through foreign investment is not a new concept. However, a few critics now contend that some foreign investment is not good for the host country, or, for that matter, for the capital exporting country. However, OPIC does not support all investments. The reason the Congress created OPIC in 1969 was to make these programs more selective, and the record shows that OPIC has carried out this mandate. Projects it supports must show net benefits not only to the host country but also to the United States. There is nothing inconsistent in this. Overseas projects can create jobs in both the host country and the United States. They can help the balance of payments of both countries. And they can produce tax revenues for both.

Insurance against political risks makes it possible for a potential investor to view the poorer countries on a par with the more developed countries by removing, for a fee, those nonbusiness risks which are more likely to occur in the poorer countries. In addition, a company that has insurance against these political risks can view its project as a long-term venture, without the pressure to make a fast buck and pull out quick.

OPIC's insurance has also been proven as a mechanism for resolving investment disputes rather than causing them. Companies without insurance who have disputes with the host country have no established procedure to follow. They run to the State Department; they run to the Congress.

Companies with OPIC insurance have a procedure which they must follow to get paid. OPIC does not pay a claim as soon as a dispute arises. The claimant must negotiate for a year with the host

government, and these negotiations must be in good faith. OPIC monitors the negotiations, it advises the claimant, and has access to the claimants books and records. Hence, the possibilities for settlement of the dispute are greatly enhanced. And, if the host government and claimant reach a settlement satisfactory to OPIC, OPIC can guarantee that the settlement will be carried out. Thus, OPIC takes the dispute from the political arena and turns it into a business proposition, thereby defusing a potential government-to-government conflict.

I am confident that the good OPIC does will not be diminished by the proposed effort to share its liabilities with private insurance companies. I understand that OPIC will control the underwriting policies of the insurance association, and will continue its efforts to ameliorate investment disputes. However, if in moving to a purely reinsurance role, as envisioned by this bill, OPIC finds that the financial and other costs to the government of this change in its role are too great, we will have an opportunity to reassess the thrust of the OPIC legislation when it comes up for renewal in 1977.

In short, I believe that this bill is worthy of the strong support of this body.

Mr. GUDE. Mr. Chairman, it is my privilege today to express my support for the Overseas Private Investment Corporation, to compliment the organization on its accomplishments, and to add my hopes for its future successes.

Impending food shortages in parts of the lesser developed world, primitive economies expressed in chronically low per capita incomes and the almost total absence of adequate financial or industrial structures—in other words, the increasing gap between the rich nations and the poor nations show clearly the inability of government aid programs by themselves to meet the challenge of development.

OPIC, however, represents another approach to the development problem—an approach which can make available to lesser developed countries resources far beyond those offered by governments, and an approach which promises rewards to both investor and host country in terms of profits as well as good will.

OPIC is specifically designed to encourage private investment in developing countries. It provides preinvestment information and counseling and some financial support for feasibility studies. It makes available insurance against risks of expropriation, inconvertibility and war, and financial assistance through loans and loan guarantees. It has begun a concerted effort to move its insurance function into private hands, an effort that will be more clearly defined and directed in the pending authorization. Of particular interest to me has been OPIC's concern with encouraging investment by small businesses. Some of the projects OPIC has supported include: five flour mills in underdeveloped nations of Africa and Latin America which have brought new skills and technology to the people, provided them with better nutrition and created new markets for American wheat exports.

A modern livestock operation in Kenya has revolutionized the cattle industry there, and upgraded the stock to the point where Kenyan beef is popular in the export as well as the domestic markets.

A $350 million bauxite mining operation in Guinea supplies needed quantities of an increasingly scarce mineral resource.

An ice company in Ghana provides needed refrigeration facilities which help insure an adequate food distribution, particularly fish, throughout the year, thus controlling inflationary food prices.

These are only a few of the projects OPIC has participated in and encouraged since its founding. With this new authorization and the careful guidelines laid down by the Committee on Foreign Affairs, I am confident the Overseas Private Investment Corporation will continue to be a valuable tool in our effort to encourage worldwide economic development.

Mr. BINGHAM. Mr. Chairman, I rise in support of H.R. 13973, the Overseas Private Investment Corporation Amendments Act of 1974. I first want to congratulate the gentleman from Iowa (Mr. CULVER), and the Foreign Economic Policy Subcommittee which he chairs, for their leadership on this legislation. Although not a member of the subcommittee, I attended some of the sessions and was favorably impressed by the thorough analysis that was made of OPIC's operations. As a result, this bill is a sound measure for governing the future of the corporation.

I agree that private insurance companies should be encouraged as much as feasible to participate in OPIC's insurance program. However, I hope that OPIC will not lose sight of the important public purpose which it is to serve. I note, for example, that this bill and the one passed by the Senate require OPIC to give preferential consideration in the operation of its programs to the least developed countries and to small business. Both bills also continue OPIC's basic directive to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of friendly less developed countries. These are large orders for a small agency, particularly when it is also asked to further the employment and balance of payment objectives of the United States and to move as much as feasible to a reinsurers role. Whether all of these mandates can be accomplished remains to be seen. However, I don't think that we can or should remove any of these guidelines for the Corporation's future performance. Each represents a valid interest of the Congress and I am hopeful that OPIC will be able to handle this difficult assignment.

Mr. VANDER JAGT. Mr. Chairman, labor should support this bill because by creating new markets OPIC creates new jobs for U.S. workers. Those who attack OPIC for creating a loss of jobs in the United States—and you will hear their cries—misunderstand the nature of the OPIC program. The purpose of OPIC is not subsidies to U.S. business. Its purpose is to enable a less developed country to compete on a more equal footing with a more developed country for the U.S. investment dollar through its insurance, financing and promotion programs. The programs attempt to make more acceptable U.S. private investment in those countries where the risk is greatest because that is where the need is greatest.

No one can accuse this legislation of leading to a loss of jobs in the United States who has studied the provision in the bill prohibiting OPIC assistance in cases of runaway industries, and the explanation of that provision given on the floor by the subcommittee chairman. Obviously the creation of new markets create opportunities for new jobs. For example, Mr. Reynolds testified that nonavailability of Jamaican bauxite and aluminum (an area where OPIC has been particularly active) would cost almost 20,000 jobs at Reynolds in the United States—jobs where work is done here on the bauxite, alumina, or aluminum that comes from Jamaica.

The U.S. Tariff Commission report to the Senate Finance Committee estimated that U.S. overseas investment produced a $3.85 billion favorable balance of payments and was responsible for 500,000 jobs here in the United States.

A Harvard Business School study in January 1974 estimated that manufacturing investment alone in the less developed countries made a net gain of 120,000 U.S. jobs.

The Congressional Research Service concluded:

> OPIC already has substantial beneficial effects in both the balance of payments and the employment situation. (in the United States)

Thus, those most concerned with jobs for U.S. workers should enthusiastically support OPIC because OPIC's efforts create jobs for U.S. workers.

Mr. OBEY. Mr. Chairman, since this legislation would extend the life of the OPIC Advisory Council through December 31, 1977, I think it is pertinent to point out that the Advisory Council held an unannounced, closed-door briefing session last October, in apparent violation of the Federal Advisory Committee Act.

I should like to quote from a report of last November 16 from the Foreign Affairs Division of the Congressional Research Service, to the chairman of the Senate Committee on Foreign Relations, in response to his request for a review of the activities of advisory committees in the field of foreign policy:

> In addition, the Overseas Private Investment Corporation (OPIC) announced in the Federal Register that its Advisory Council would meet on October 29 from 11:30 a.m. to 12:30 p.m. and from 2:00 p.m. to 4 p.m. The notice stated that "because of limited space . . . persons who desire to observe the discussion will be admitted in the order of receipt of written application . . ." The Foreign Affairs Division analyst who attended this meeting discovered that it was preceded by a closed "briefing," not announced publicly.

To require "written application" to attend seems to me unique among the more than 1,400 advisory committees, although some—for example, the Advisory Council on Social Security—insist that persons planning to attend should send writ-

ten notice of intent. Whatever the OPIC Advisory Council's purpose, requiring written application could make it easy to exclude unwanted observers.

Mr. Chairman, in extending the life of the OPIC Advisory Council, we should underscore our expection that it will operate in complete compliance with the Federal Advisory Committee Act.

Mr. CULVER. Mr. Chairman, I have no further requests for time.

Mr. FRELINGHUYSEN. 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 this Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1974".

SEC. 2. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191–2200a) is amended—

(1) by striking out "progress" in the first sentence of section 231 and inserting "development" in lieu thereof;

(2) by inserting ", insurance, and reinsurance" after "financing" the first time it occurs in clause (a) of section 231;

(3) by inserting "in its financing operations" after "taking into account" in clause (a) of section 231;

(4) by striking out ", when appropriate," in clause (d) of section 231;

(5) by inserting "and reinsurance" after "efforts to share its insurance" in clause (d) of section 231;

(6) by striking out clause (e) of section 231 and inserting in lieu thereof the following:

"(e) to give preferential consideration in its investment insurance, financing, and reinsurance activities (to the maximum extent practicable consistent with the Corporation's purposes) to investment projects involving businesses of not more than $2,500,000 net worth or with not more than $7,500,000 in total assets;";

(7) by inserting "and employment" after "balance-of-payments" in clause (i) of section 231;

(8) by striking out "and" after the semicolon in clause (j) of section 231;

(9) by striking out the period at the end of clause (k) of section 231 and inserting a semicolon in lieu thereof;

(10) by inserting at the end of section 231 the following:

"(l) to the maximum extent practicable, to give preferential consideration in the Corporation's investment insurance, financing, and reinsurance activities to investment projects in the less developed friendly countries which have per capita incomes of $450 or less in 1973 United States dollars;

"(m) to identify foreign investment opportunities in less developed friendly countries and areas, and to bring information concerning such opportunities to the attention of potential eligible investors in such countries or areas; and

"(n)(1) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause such investor (or the sponsor of an investment project in which such investor is involved) significantly to reduce the number of his employees in the United States because he is replacing his United States production with production from such investment which involves substantially the same product for substantially the same market as his United States production; and (2) to monitor conformance with the representations of the investor on which the Corporation relied in making the determination required by clause (1).";

(11) by amending the section heading of section 234 to read as follows: "INVESTMENT INSURANCE AND OTHER PROGRAMS.";

(12) by inserting at the end of subsection (a) of section 234 the following new paragraphs:

"(4)(A) It is the intention of Congress that the Corporation should achieve participation by private insurance companies, multilateral organizations, or others in at least 25 per centum of liabilities incurred in respect of the risks referred to in subparagraphs (1) (A) and (B) of this subsection under contracts issued on and after January 1, 1975, and in at least 50 per centum of liabilities incurred in respect of such risks under contracts issued on and after January 1, 1978. If it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House of Representatives the reasons for its inability to achieve either such percentage of participation, and the date by which such percentage can be achieved.

"(B) It is the intention of Congress that the Corporation should not participate as insurer under contracts of insurance issued after December 31, 1979, in respect of the risks referred to in subparagraphs (1) (A) and (B) of this subsection.

"(5)(A) It is the intention of Congress that the Corporation should achieve participation by private insurance companies, multilateral organizations, or others in at least 12 per centum of liabilities incurred in respect of the risks referred to in subparagraph (1)(C) of this subsection under contracts issued on and after January 1, 1976, and in at least 40 per centum of liabilities incurred in respect of such risks under contracts issued on and after January 1, 1979. If it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House of Representatives the reasons for its inability to achieve either such percentage of participation, and the date by which such percentage can be achieved.

"(B) It is the intention of Congress that the Corporation should not participate as insurer under insurance policies issued after December 31, 1980, in respect of the risks referred to in subparagraph (1)(C) of this subsection.

"(6) Notwithstanding any of the percentages of participation under subparagraphs (4)(A) and (5)(A) of this subsection, the Corporation may agree to assume liability as insurer for any insurance contract, or share thereof, that a private insurance company, multilateral organization, or any other person has issued in respect of the risks referred to in paragraph (1) of this subsection, and neither the execution of such an agreement to assume liability nor its performance by the Corporation shall be considered as participation by the Corporation in any such insurance contract for purposes of such percentages of participation. However, it is the intention of Congress that on and after January 1, 1981, the Corporation should not enter into any such agreement to assume liability.

"(7) It is the intention of Congress—

"(A) that the Corporation should not manage direct insurance issued on and after December 31, 1979, by any other person in respect of risks referred to in subparagraph (1) (A) or (B) of this subsection;

"(B) that the Corporation should not manage direct insurance issued on and after December 31, 1980, by any other person in respect of risks referred to in subparagraph (1)(C) of this subsection; and

"(C) that on and after December 31, 1980, the Corporation should act only as a reinsurer except to the extent necessary to manage its outstanding insurance or reinsurance contracts and any policies the Corporation assumes pursuant to paragraph (6).";

(13) by inserting at the end of section 234 the following new subsection:

"(f) OTHER INSURANCE FUNCTIONS.—

"(1) to make and carry out contracts of insurance or reinsurance, or agreements to associate or share risks, with insurance companies, financial institutions, any other persons, or groups thereof, and employing the same, where appropriate, as its agent, or acting as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in any other matter incident to an insurance business;

"(2) to enter into pooling or other risk-sharing arrangements with other national or multinational insurance or financing agencies or groups of such agencies;

"(3) to hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance; and

"(4) to issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in subsection (a)(1).

The amount of reinsurance of liabilities under this title which the Corporation may issue shall not exceed $600,000,000 in any one year, and the amount of such reinsurance shall not in the aggregate exceed at any one time an amount equal to the amount authorized for the maximum contingent liability outstanding at any one time under section 235(a)(1). All reinsurance issued by the Corporation under this subsection shall require that the reinsured party retain for his own account specified portions of liability, whether first loss or otherwise, and the Corporation shall endeavor to increase such specified portions to the maximum extent possible.";

(14) by striking out "1974" in section 235 (a)(4) and inserting "1977" in lieu thereof;

(15) by striking out "insurance issued under section 234(a)" in subsection (d) of section 235 and inserting in lieu thereof the following: "insurance or reinsurance issued under section 234";

(16) by striking out subsection (f) of section 235 and inserting in lieu thereof the following:

"(f) There are authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund, to discharge the liabilities under insurance, reinsurance, or guaranties issued by the Corporation or issued under predecessor guaranty authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to this subsection. However, no appropriations, after appropriations for fiscal year 1975, shall be made to augment the Insurance Reserve until the amount of funds in the Insurance Reserve is less that $25,000,000. Any appropriations to augment the Insurance Reserve shall then only be made either pursuant to specific authorization enacted after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974, or to satisfy the full faith and credit provision of section 237(c). In order to discharge liabilities under investment insurance or reinsurance, the Corporation is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed $100,000,000. Any such obligation shall be repaid to the Treasury within one year after the date of issue of such obligation. Any such obligation shall bear interest at a rate determined by the Secretary of the

Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of any obligation authorized by this subsection. The Secretary of the Treasury shall purchase any obligation of the Corporation issued under this subsection, and for such purchase he may use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974. The purposes for which securities may be issued under such Bond Act shall include any such purchase.";

(17) by striking out "and guaranties" in subsection (a) of section 237 and inserting in lieu thereof the following: ", guaranties, and reinsurance";

(18) by striking out "or guaranties" in subsection (a) of section 237 and inserting in lieu thereof the following: ", guaranties, or reinsurance";

(19) by striking out "or guaranty" both times it occurs in subsection (b) of section 237 and inserting in lieu thereof both times the following: ", guaranty, or reinsurance";

(20) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (c) of section 237;

(21) by inserting ", reinsurance," after "insurance" the first two times it occurs in subsection (d) of section 237;

(22) by striking out "or insurance" in subsection (d) of section 237 and inserting in lieu thereof the following: ", insurance, or reinsurance";

(23) by striking out "or guaranty" in subsection (e) of section 237 and inserting ", guaranty, or reinsurance" in lieu thereof;

(24) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (f) of section 237;

(25) by adding at the end of subsection (f) of section 237 the following: "Notwithstanding the preceding sentence, the Corporation shall limit the amount of direct insurance and reinsurance issued by it under section 234 so that risk of loss as to at least 10 percent of the total investment of the insured and its affiliates in the project is borne by any person other than the Corporation on the date the insurance is issued. The preceding sentence shall not apply to any loan by an insurance company, pension fund, or other institutional lender, or to any investment by a small business.";

(26) by inserting ", insurance, or reinsurance" and "guaranty" in subsection (g) of section 237;

(27) by striking out "or guaranties" in subsection (h) of section 237 and inserting ", guaranties, or reinsurance" in lieu thereof;

(28) by inserting ", reinsurance," after "insurance" in subsection (i) of section 237;

(29) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (k) of section 237; and

(30) by adding at the end of section 239 the following:

"(h) Within six months after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974 the Corporation shall develop and implement specific criteria intended to minimize the potential environmental implications of projects undertaken by investors abroad in accordance with any of the programs authorized by this title.

"(i) It is the intention of Congress that on or after December 31, 1979, the President shall transfer all programs under section 234 (b) through (e) or section 240, and all obligations, assets, and related rights and responsibilities arising out of, or related to, such programs to any other agency of the United States.

"(j) On and after December 31, 1979, all programs authorized under section 234 (b) through (e) or section 240 shall be limited to countries with a per capita income of $450 or less in 1973 United States dollars.";

(31) by striking out "25 per centum" in subsection (b) of section 240 and inserting "50 per centum" in lieu thereof;

(32) by striking out "1974" in section 240 (h) and inserting "1977" in lieu thereof; and

(33) by striking out subsection (b) of section 240A and inserting in lieu thereof the following: "(b) Not later than January 1, 1976, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all of its activities to private insurance companies, multilateral organizations or institutions, or othr entities."

Mr. CULVER (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 Iowa?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee Amendment: On page 8, line 3, immediately before "The amount" insert the following:

The authority granted by paragraph (3) may be exercised notwithstanding the prohibition under section 234(c) against the Corporation purchasing or investing in any stock in any other corporation.

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

Mr. Chairman, my remarks in opposition to this bill will be brief. It provides for another enormous obligation upon the people of this country. We have already spent billions of dollars, $260 billion by the end of this fiscal year, on foreign aid of one kind and another. Many billions of the $260 billion were spent in the stated hope that the expenditure of that money would provide a "climate" favorable for American investments and business opportunities overseas. There should now be an explanation of the reason why, with the expenditure of such a staggering amount of money, that such a climate has not been developed, and without the necessity for an insurance company known as the Overseas Private Investment Corporation.

I say to the Members of the House if you approve this bill you will be obligating the taxpayers of this country to the tune of $600 million or more, and it is an obligation that ought not to be imposed upon them at this time, if ever.

Mr. Chairman, there is absolutely no justification for loading on the backs of our citizens an obligation of $600 million to protect American investors who take their money abroad. This program even protects such investors against risks in foreign countries to which businessmen in the United States are subject but for which they would not be indemnified by federally backed insurance.

This is special privilege legislation with a vengeance, and by every application of reason it ought to be defeated.

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

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

Mr. Chairman, for many years in this hall I have tried to discuss with the Members of the Congress, the kind of problems that I believe are responsible for the conditions we find ourselves in.

I note, and I congratulate the sponsors of this legislation upon one thing, and that is that finally on page 7 of the committee report, in referring to section (10) (n) they admit something that every Member of the Congress who is supposed to be on this floor has denied over the years: they admit that we do have such a thing as runaway industries that are covered by this legislation.

OPIC operates a multibillion lending and insurance program that has served to accelerate, at the taxpayers' expense, the expansion of U.S.-based multinational industries abroad, and the exportation of U.S. job opportunities.

OPIC guarantees—that is, the Overseas Private Investment Corporation—guarantees with American dollars the insurance of investments against losses from political upheavals and wars.

I note—and I will put into the record at this time with my thoughts—the complete list of the 1973 OPIC insurance programs.

I note, just as a matter of passing attention to the interest of the Members, that one of them is, not being much, but it is the Champion Spark Plug Co.—not exactly a small, needy American enterprise, to build and manufacture ceramic spark plug insulators in Venezuela with a $2,656,000 investment, guaranteed, of course, by this insurance to $2,674,000. Actually, the insurance is greater than the investment.

But this is the part that I want to bring out to the Members. Recently on a trip on a freighter we loaded at Philadelphia practically 90 percent of the export load or cargo, mostly automobile parts and other items of manufacture that were delivered at the port and to the wharf on the Canadian National Railway cars because they came from Canada. When we got down to Venezuela we unloaded these particular parts that had been made in Canada, and carried on a subsidized American-flag ship, as they called it, and there we loaded truck frames made in two plants down there that are owned by two American companies, and brought them back up to the United States.

This OPIC has been praised by everybody as the kind of spending, if it is spending—which is not exactly Government spending—that is done to increase our exports and to guarantee Americans a competitive position in foreign countries. Every one of these companies that is on here that has had the guarantee of OPIC is in one manner or another exporting back to the United States.

If I want to build a plant somewhere in Westmoreland County, my home, there is no program to guarantee me against inflationary costs, that makes it possible for me to pay the interest, or that makes it possible for me to be sure that that plant will be protected in any kind of a riot, except that I have to pay an awfully high premium for it.

The expansion of a commercial bank in Panama. Does anybody think that Panama is a developing nation?

The Republic of China. Have any of the Members been there lately? Have they seen the hundreds of thousands of workers who are producing goods for the United States of America's marketplace that has driven 35 percent of the shoemakers out of their jobs in the State of Pennsylvania alone?

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

(By unanimous consent, Mr. DENT was allowed to proceed for 5 additional minutes.)

Mr. DENT. Del Monte International Corp. This tells a tale that the Members ought to hear, and they ought to ponder about it. Del Monte International Corp., $23,250,000 in Kenya growing and producing pineapple and other agricultural products. If all of the people in Kenya ate nothing but pineapple 24 hours a day, they could not eat the pineapples that are produced. But what has happened? The largest agricultural product in Hawaii is pineapple, and there is no pineapple industry left because OPIC guaranteed the expansion not only in Kenya, but in Korea and in the Philippine Islands. We are not growing an immense tonnage of pineapple in Hawaii. Why? Because of this and other endeavors of this Nation of ours under the guise of being helpful to American industry, under the guise of creating an atmosphere for the exportation of American products.

Do you know what we have exported? I will tell the Members what we have exported. We have exported jobs. All over the world we have exported jobs, and the day of reckoning is coming. We have shifted from a $67 billion surplus in foreign countries to a deficit of $107 million, and we cannot do that very easily. We could never make that many mistakes, or such an enormous mistake as we have made in this country in the last 12 years without a blueprint.

We cannot make that many mistakes accidentally.

I am talking to the Members of Congress as one who has traveled and seen in every port of the world almost the lifeblood and strength of my Nation, the hopes of my people for jobs in the future, and at the present, being poured out to the tune of one item alone. Let me give the Members a fact, and I want them to take it and analyze it, and if I am wrong, I will get on the floor and apologize to everyone in here.

The $250 billion-odd of foreign aid plus the interest paid on the borrowed moneys of the United States total an amount within $10 billion, one way or the other, of the national debt of the United States of America. Do the Members know that with all our mistakes and spending and foolishness we have been able to generate in this great Nation of ours the cost of all the foolish things we have ever done, including the wars, but we have never been able to generate enough for nonreturnable items such as foreign aid and the interest we have paid over the years.

We are now going to be asked for something over $20 billion more increase in the national debt.

If this has been a successful venture, why do we have to borrow money? Why? I will tell the Members why.

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

Mr. DENT. I would like to be able to finish my statement but I will yield to the gentleman briefly.

Mr. GROSS. I commend the gentleman for his statement. Why do not these overseas venture businesses provide their own insurance?

Mr. DENT. I cannot quite answer that, but I do not see why we should protect $4,640,000 for the Chemical Bank for expansion of mining facilities. Think of it now, that is for mining facilities.

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

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

Mr. SHUSTER. Mr. Chairman, I compliment the gentleman for his comments and I associate myself with his remarks.

Mr. DENT. I thank the gentleman from Pennsylvania (Mr. SHUSTER).

It is not a popular thing nor the thing I like to do to get up and tell the Members these things because I know it will not change the mind of anyone and it has not in the last 20 years, and I do not expect to have any better experience now, but let me tell the Members as I have over the last 20 years, time and time again, that the string runs out and the string is going to run out sometime between now and what is supposed to be the 200th year of independence for this free Nation. When we celebrate that event in 1976, we will have been strong enough and smart enough to have drifted from complete independence of any nation on the face of the Earth to complete dependence in many of the items of everyday life.

Mr. Chairman, the OPIC operates a multibillion-dollar lending and insurance program that has served to accelerate, at the taxpayer's expense, the expansion of U.S. based multinationals abroad, and the exportation of U.S. jobs. The OPIC guarantees that profits on overseas investments can be changed into dollars, and insures investments against losses from political upheavals and war. OPIC has become an anachronism and, despite its original goals, it has become an insurance agency for U.S. based multinationals. I have included at the end of my remarks a list of OPIC-insured projects, and if you will glance at it, you will find that the majority of the projects insured are those sponsored by multinationals. OPIC continues to operate under the guise of helping manufacturers maintain a competitive position in the United States and world market.

It is a fact that OPIC lacks not only necessary information to determine whether a move overseas is actually necessary to protect the U.S. industry from foreign competition, but OPIC also lacks even a precise description of the product manufactured overseas or the extent of foreign competition, if any. This is an unacceptable situation, particularly when in many instances a multinational bases its move abroad on the availability of cheap labor and tax shelters. OPIC, by virtue of its existence, tacitly encourages import flooding, a practice of multinationals, who make goods abroad and import them for assembly here, thereby avoiding duties and tariffs on finished products. These imports compete directly with smaller, domestic industries that do not have the capital or desire to invest abroad. The existence of multinationals serves to drive these smaller companies out of business and has a serious effect on the entire economy of this country.

A Senate subcommittee report disclosed that 79 percent of all OPIC-issued insurance was provided to corporations on the Fortune list of the largest 500 corporations and the 50 largest banks. These are multinationals, who are leading the movement to export U.S. jobs and U.S. production. I include the following:

PROJECTS OPIC INSURED DURING FISCAL 1973

Company, country, and project	Size of investment	Largest single current coverage
American President Lines, Ltd., Philippines: Stevedoring facility	$450,000	$450,000
Ampex Corp., Republic of China: Recording and computer components	5,315,000	3,050,000
Arbor Acres Farms Inc., Thailand: Poultry farm	100,000	100,000
Armco Steel Corp., Philippines: Manufacture of steel grinding balls	1,200,000	845,000
B-G Shrimp Sales Co., Guyana: Expansion of trawler servicing company	30,000	30,000
Bank of America NT & SA, Panama: Expansion of bank	750,000	750,000
Bank of America, Tunisia: Expansion of commercial bank	64,000	80,000
Barden Corp., Singapore: Manufacture of precision parts	1,050,000	550,000
Bayorient Holding Corp., Korea: Regional lending institution	300,000	300,000
Boundsgreen Co. Ltd., Indonesia: Manufacture of textiles	6,000,000	3,600,000
Bristol-Myers Overseas Corp., Indonesia: Manufacture of pharmaceuticals, cleaning aids, other consumer products	1,254,000	500,000
C-W International Inc., Republic of China: Manufacture of electronic components	350,000	350,000
Champion Spark Plug Co., Venezuela: Manufacture of ceramic spark plug insulators	2,656,000	2,674,000
Chase International Investment Corp., Iran: Production and marketing of agricultural products and livestock	$1,200,000	$600,000
Chemical Bank, Indonesia: Expansion of mining facility	4,640,000	4,640,000
Chemical International Finance Ltd., Indonesia: Cement plant	749,000	995,370
Coca-Cola Export Corp., Indonesia: Soft drink base	2,500,000	250,000
Continental Illinois Bank & Trust Co. of Chicago, Indonesia: Construction and operation of hotel	8,000,000	3,446,000
Continental International Finance Corp., Thailand: Intermediary lending institution	410,000	410,000
Continental Ore Corp., Kenya: Mining and processing of fluorspar	206,000	205,800
Cophag, A. G., Indonesia: Manufacture of pharmaceuticals	500,000	530,000
Del Monte International Inc., Kenya: Growing and processing of pineapples and other agricultural products	23,250,000	14,790,000
Dow Chemical N.V., Brazil: Expansion of chemicals, plastics and agricultural products	2,119,000	1,741,951
E. I. duPont de Nemours & Co., Brazil: Expansion of plant, caustic soda	10,000,000	4,700,000

Company, country, and project	Size of investment	Largest single current coverage
Ferro Corp., Venezuela: Manufacturing and marketing of porcelain and ceramic products	$255,000	$255,000
Fidelity International Bank, India: Expansion of private development bank	11,500	11,349
First Israel Development Corp. and Baldwin Securities Corp., Israel: Investment company	17,702,000	7,895,000
First National City Bank, El Salvador: Expansion of bank	1,000,000	1,000,000
First National City Overseas Investment Corp. and Nessus Investment Corp., Republic of China: Trust and investment operation	2,000,000	2,000,000
Fishbach & Oman International, Afghanistan: Construction of intake, powerhouse and switchyard	6,800,000	2,000,000
Fonville Enterprises Inc., Kenya: Cattle ranch	248,000	137,141
General Electric (USA) Contractor Equipment Ltd., Singapore: Manufacture of metal engineering products	1,627,000	1,153,000
General Electric Co., Turkey: Manufacture of cooling units for refrigerators	196,000	195,758
Gillette Co., Indonesia: Razor blade plant	906,500	606,545
Gillette Co., Iran: Razor blade plant	2,264,000	2,264,000
Gillette International Capital Corp., Jamaica: Expansion of razor blade plant	212,000	151,000
Gillette Co. and Compania Interamericana Gillette, S.A., Philippines: Razor blade plant	373,000	460,000
Great Northern Nekoosa Corp., Panama: Manufacture of corrugated kraft paper (expansion)	600,000	500,000
GTE International Inc., Israel: Manufacture of electronics equipment (expansion)	1,310,000	1,310,000
Hawaiian Agronomics Co. Inc. and Diamond A Cattle Co., Iran: Production and marketing of agricultural products	3,400,000	700,000
John D. Hollingsworth on Wheels, Inc., Brazil: Manufacture of textile machinery	810,000	810,000
Hormel International Corp., Philippines: Expansion of food processing plant	2,018,000	631,966
Inmont Corp., Indonesia: Expansion of printing ink, industrial finishes, and textile color plant	132,000	138,500
Intercontinental Hotels Corp., Brazil: Construction and operation of hotel	3,800,000	459,726
Intercontinental Hotels Ltd., Ivory Coast: Expansion of hotel	1,000,000	921,000
International Dairy Engineering Co., Iran: Processing of fresh and frozen dairy products and other foods	1,500,000	1,500,000
International Paper Co., Philippines: Expansion of pulp and papermill	$961,000	$960,536
Kaiser Cement & Gypsum Corp., Thailand: Mining and processing of fluorspar	2,517,500	1,281,986
Kaiser Cement & Gypsum Corp., Thailand: Expansion of cement plant and sales facility	1,368,000	1,955,633
Kellogg Co., Guatemala: Manufacture of cereal and related products	1,050,000	805,000
Kimberly-Clark Corp., Korea: Manufacture of disposable tissue paper products	408,000	408,000
John E. Lawrence, India: Manufacture of electronic components	12,000	12,064
Levi Strauss International, Philippines: Manufacture of wearing apparel	100,000	100,000
Linson Investments Ltd., Indonesia: Manufacture of pharmaceuticals	2,250,000	1,525,000
Liquid Carbonic Corp., Korea: Manufacture of carbon dioxide and related products	120,000	144,000
Liquid Nitrogen Processing Co., Brazil: Fortified thermoplastic manufacturing plant	40,000	10,000
Magcobar Venezuela C.A. & Dresser A.G. (Vaduz), Indonesia: Establishment of drilling-mud production and servicing company	12,600,000	4,473,333
Maren-San Hair Fashions Ltd. (U.S.A.), Korea: Manufacture of human and synthetic hair products	50,000	50,000
Mobil Petroleum Co., Inc., Philippines: Expansion of refinery	14,248,000	16,726,673
Morgan Guaranty International Finance Corp., Cameroon: Expansion of commercial bank	38,500	41,000
Morgan Guaranty International Finance Corp., Republic of China: Branch bank	339,000	373,000
Rosemary Mortellaro, Panama: Cattle ranch	80,000	80,000
Pacific International Foods Co., Korea: Grain elevator	1,000,000	500,000
Philadelphia International Investment Corp., Thailand: Investment bank	230,500	230,492
Ro-Search Inc., Dominican Republic: Expansion of footwear plant	470,000	25,000
Seaboard Overseas Ltd., Liberia: Flour mill	1,750,000	1,099,000
Semreh Enterprises Ltd., Singapore: Manufacture of hermetic motors	2,300,000	2,300,000
E. R. Squibb & Sons, Inc., Iran: Expansion of pharmaceuticals facility	602,000	1,204,000
Standard Fruit Co., Nicaragua: Banana plantation	3,000,000	3,000,000
Tandy Corp., Korea: Manufacture of electronic and acoustic equipment	500,000	500,000
TAW International Leasing Corp., Africa regional: Equipment leasing	44,600,000	7,000,000
TRW Inc., Korea: Manufacture of automobile engine valves	150,000	150,000
UNOCO Ltd., Korea: Expansion of refinery	25,700,000	20,811,000

Note: Current coverage in excess of investment indicates insurance of accrued interest and profits, when and if earned.

PROJECTS OPIC FINANCED DURING FISCAL 1973

Company, country and project	Size of investment	Amount of financing
Cargill Agricola S.A., Brazil: Soybean processing	$5,400,000	$2,500,000
COPA-Companhia de Papeis, Brazil: Hygienic paper products	6,200,000	3,500,000
P.T. Daralon Textile Manufacturing Corp., Indonesia: Textile manufacturing	16,700,000	525,000
Development Co. Ltd., Ghana: Tuna fishing	1,000,000	615,000
Indian Motorcycle Co., Republic of China: Motorcycle assembly plant	$1,600,000	$250,000
P.T. Kayan River Timber Co., Indonesia: Logging and sawmill facility	7,900,000	1,600,000
Olinkraft Cellulose Paper Ltdr., Brazil: Paper manufacturing	6,500,000	2,500,000
Seaboard Overseas Ltd., Nigeria: Flour mill	4,000,000	2,000,000
P.T. United Coconut (TINA), Indonesia: Coconut processing plant	1,300,000	500,000

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN The gentleman will state it.

Mr. DERWINSKI. Mr. Chairman, if a point of order would be made against the absence of a quorum, would the Chairman proceed to use the new rules now available to him?

The CHAIRMAN. I am not sure that the gentleman has stated a parliamentary inquiry. He has rather stated a condition of the Chair's mind, but the condition of the Chair's mind is such that the answer is "yes."

Mr. DERWINSKI. Then, Mr. Chairman, a further parliamentary inquiry. The gentleman from Pennsylvania who just entertained us has used his 5 minutes. Is that correct?

The CHAIRMAN (Mr. PIKE). The gentleman from Pennsylvania has used his 5 minutes plus 5 additional minutes, which he requested and received unanimous consent for, and the gentleman's time has now expired. The gentleman from Illinois is correct.

Mr. DERWINSKI. I think in that case, Mr. Chairman, it is safe for me to make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-five Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

PERSONAL STATEMENT

Mr. ROUSSELOT. Mr. Chairman, I ask that the RECORD show I was present at this time.

The CHAIRMAN. The gentleman's statement will appear in the RECORD.

COMMITTEE AMENDMENTS

The CHAIRMAN. The question is on the first committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 12, after line 5, insert the following new paragraph:

(30) by adding at the end of subsection (f) of section 239 the following: "The Council shall terminate on December 31, 1977.";

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 12, line 6, strike out "(30)" and insert in lieu thereof "(31)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 12, after line 24, insert the following new paragraphs:

(32) by striking out "in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries" in subsection (a) of section 240 and inserting in lieu thereof the following: ", the authority conferred by this section should be used to establish programs in such countries";

(33) by striking out "not more than five Latin American countries" in subsection (b) of section 240 and inserting "less developed countries" in lieu thereof;

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 13, line 1, strike out "(31)" and insert in lieu thereof "(34)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 13, after line 3, insert the following new paragraphs:

(35) by striking out "'1972" in subsection (g) of section 240 and inserting "1976" in lieu thereof;

(36) by striking out "pilot" in subsection (g) of section 240;

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 13, line 4, strike out "(32)" and insert in lieu thereof "(37)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: On page 13, line 6, strike out "(33)" and insert in lieu thereof "(38)".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. VANIK

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

The Clerk read as follows:

Amendment offered by Mr. VANIK:

On page 3, line 15, strike "and" and on page 4, line 5, strike ".";" and substitute "; and" and add the following:

"(o) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment whenever any nation fails within a reasonable period of time to extradite an American citizen to the United States upon the request of the United States, and to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment in such country until such time as such country extradites such person to the United States."

Mr. VANIK. Mr. Chairman, the amendment I am offering is a very short, very simple one. It bans OPIC operations and support in a country which refuses to cooperate with the United States in the extradition of an American citizen. As of the end of March 1973, OPIC had 28 different guarantees and insurance policies outstanding in Costa Rica.

If a foreign nation wants our investment and capital, I think there ought to be a little bit of cooperation, a little bit of suppport in the simple day-to-day international questions of law enforcement and extradition.

The amendment provides that once an extradition request is complied with, OPIC support may be resumed and new policies issued.

Mr. Chairman, I hope the committee will be willing to accept this amendment.

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

Mr. Chairman, I believe the adoption by the committee of this amendment would be very unwise to American foreign policy interests, and specifically unwise to potential United States investment activities in developing countries.

Mr. Chairman, I think the proponent of this amendment is making a mistake by confusing the subject of this legislation with normal diplomatic relations involving questions of extradition. These questions are properly issues reserved in bilateral treaty agreements between the United States and foreign governments. They are matters which should stand on their respective merits and be negotiated within the appropriate forum. To complicate unnecessarily the administration of a foreign investment program of this type with irrelevant diplomatic questions, I think, would be unwise.

Mr. Chairman, I urge opposition to the amendment.

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

Mr. CULVER. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I regret that we did not have an opportunity to digest the significance of the amendment, but I agree with the gentleman from Iowa. I would guess that it would not be germane and that a point of order might have been made against this amendment had we been aware of its submission ahead of time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The question was taken; and on a division (demanded by Mr. CULVER) there were—ayes 18; noes 33.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. VANIK

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

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 3, line 15, strike "and" and on page 4, line 5, strike ".";" and substitute "; and" and add the following:

"(o) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for investment in any petroleum refinery or facility to produce petrochemical products."

Mr. VANIK. Mr. Chairman, in the OPIC annual report for fiscal year 1973, there is a description of an investment by Union Oil Co. of California in a 60,000 barrel-per-day refinery in Korea. As the annual report states:

More than 60 percent of the materials and services used during the expansion of the topping plant was procured in the U.S. As a future market for petroleum products, Korea has a high potential.

I do not understand OPIC's pride in encouraging the export of scarce petroleum plant equipment—or in creating a new market demand overseas for petroleum products.

This is not the way to obtain energy independence.

Granted, Korea is an ally. No doubt it needs more refinery capacity. So do we. The oil companies complain that there is not enough refinery capacity in the United States and they blame the environmental laws—but the real reason is that offshore costs are less, and we are subsidizing and encouraging those offshore investments.

When it comes to refinery investments, I do not believe that we should continue to encourage offshore investment.

I hope the Committee will accept my amendment to prohibit OPIC guarantees, insurances, and operations for refinery projects.

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

Mr. Chairman, this is a problem to which the subcommittee has addressed itself very carefully over a period of a year in its inquiry on the operation of the Overseas Private Investment Corporation. That is the particular question of United States investment in extractive industries in the underdeveloped world.

Mr. Chairman, the subcommittee has made a specific recommendation in its most recent report, which says that it "recognizes the conflicts between the growing needs, on the one hand, of the United States for imported raw materials and the sensitivity of foreign investment in resource extractive activities in less developed countries. Therefore the subcommittee directs OPIC to follow its administrative guidelines for large and sensitive projects."

More specifically, in the language of our report, "OPIC should concentrate on encouraging nonequity investments, such as management, development, production sharing, and purchase contracts which allow the host country to own all or most of the equity on the project. In addition, because of the geographic concentration of natural resources, OPIC should take particular care to follow its own rules of risk management with regard to country concentration of U.S. investments in extractive industries."

Mr. Chairman, the adoption of this particular amendment, I think, would be most harmful for many oil-producing countries. The greatest benefit to their development can be derived from refinery capacity so as to develop their crude petroleum.

In addition, the language of this amendment would also very likely encompass refinery activity in the area of fertilizer, which is in such critical demand today in this country and the world.

Mr. Chairman, I think that the current guidelines that the committee has imposed on OPIC will guard against the type of concentration in this particular type of investment which creates political sensitivity and works to the economic disadvantage of our own country. I would suggest that the committee, in its wisdom, vote in opposition to this amendment.

Mr. Chairman, I appreciate the thrust and the concern expressed by its author. However, I think it would be most unwise and inappropriate as far as this legislation is concerned.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

The amendment was rejected.

The CHAIRMAN. Are there any further amendments?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PIKE, 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. 13973) to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, and for other purposes, pursuant to House Resolution 1111, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

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

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 225, nays 152, not voting 56, as follows:

[Roll No. 226]

YEAS—225

Abdnor	Cederberg	Frey
Abzug	Chamberlain	Fulton
Anderson, Calif.	Chisholm	Gettys
Anderson, Ill.	Clausen, Don H.	Fuqua
Andrews, N.C.	Clawson, Del	Giaimo
Andrews, N. Dak.	Cleveland	Gilman
Archer	Cochran	Goldwater
Arends	Cohen	Gonzalez
Ashley	Conable	Grasso
Badillo	Conte	Green, Pa.
Barrett	Cotter	Grover
Bell	Coughlin	Gubser
Bennett	Cronin	Gude
Bergland	Culver	Guyer
Biester	Danielson	Hamilton
Bingham	Davis, Wis.	Hanley
Blackburn	Dellenback	Hanna
Blatnik	Dellums	Hansen, Wash.
Boggs	Dennis	Heckler, Mass.
Bolling	Derwinski	Heinz
Bowen	Dickinson	Henderson
Brademas	Downing	Hicks
Breaux	Drinan	Hillis
Breckinridge	du Pont	Hinshaw
Brooks	Eckhardt	Hogan
Broomfield	Edwards, Ala.	Holifield
Brotzman	Edwards, Calif.	Holtzman
Brown, Calif.	Erlenborn	Horton
Brown, Mich.	Evans, Colo.	Hosmer
Brown, Ohio	Fascell	Howard
Broyhill, N.C.	Fish	Hudnut
Broyhill, Va.	Fisher	Hutchinson
Buchanan	Flowers	Jarman
Burgener	Flynt	Johnson, Calif.
Burke, Fla.	Forsythe	Jones, N.C.
Burton	Fountain	Jordan
Butler	Fraser	Karth
Casey, Tex.	Frelinghuysen	Kastenmeier
	Frenzel	Kazen
		Kemp
Kluczynski	O'Neill	Steed
Koch	Owens	Steelman
Kuykendall	Passman	Steiger, Wis.
Kyros	Patten	Stephens
Lagomarsino	Pepper	Stratton
Landrum	Pickle	Stuckey
Latta	Pike	Taylor, N.C.
Leggett	Poage	Thompson, N.J.
Lehman	Podell	Thomson, Wis.
Long, La.	Preyer	Thone
Lott	Price, Ill.	Thornton
McClory	Pritchard	Tiernan
McDade	Quie	Treen
McEwen	Railsback	Udall
McFall	Regula	Ullman
McKay	Rhodes	Van Deerlin
McKinney	Riegle	Vander Jagt
McSpadden	Rinaldo	Veysey
Madden	Robison, N.Y.	Waldie
Madigan	Rodino	Walsh
Mahon	Rooney, Pa.	Whalen
Mallary	Rose	White
Mann	Rosenthal	Whitehurst
Martin, Nebr.	Roush	Widnall
Mathias, Calif.	Ruppe	Wiggins
Mayne	Sandman	Wilson, Bob
Meeds	Sarasin	Winn
Mezvinsky	Sarbanes	Wolff
Michel	Schneebeli	Wright
Milford	Shriver	Yates
Mitchell, N.Y.	Sikes	Yatron
Moorhead, Calif.	Sisk	Young, Ill.
Moorhead, Pa.	Smith, Iowa	Young, S.C.
Mosher	Smith, N.Y.	Young, Tex.
Nelsen	Spence	Zion
O'Brien	Stanton, J. William	Zwach

NAYS—152

Adams	Griffiths	Powell, Ohio
Alexander	Gross	Price, Tex.
Annunzio	Gunter	Quillen
Armstrong	Haley	Randall
Ashbrook	Hammer-schmidt	Rangel
Aspin	Hanrahan	Rarick
Bafalis	Harrington	Reuss
Baker	Harsha	Roberts
Bauman	Hays	Robinson, Va.
Beard	Hechler, W. Va.	Roe
Bevill	Holt	Roncalio, Wyo.
Biaggi	Hungate	Rostenkowski
Brasco	Hunt	Rousselot
Bray	Ichord	Roy
Brinkley	Johnson, Colo.	Roybal
Burke, Calif.	Jones, Ala.	Ruth
Burke, Mass.	Jones, Okla.	Ryan
Burleson, Tex.	Ketchum	St Germain
Burlison, Mo.	Landgrebe	Satterfield
Byron	Lent	Scherle
Camp	Long, Md.	Schroeder
Carney, Ohio	Lujan	Sebelius
Chappell	Luken	Seiberling
Clancy	McCollister	Shipley
Collins, Ill.	McCormack	Shoup
Collins, Tex.	Maraziti	Shuster
Conlan	Martin, N.C.	Snyder
Conyers	Mathis, Ga.	Staggers
Crane	Mazzoli	Stanton, James V.
Daniel, Dan	Melcher	Stark
Daniel, Robert W., Jr.	Metcalfe	Steiger, Ariz.
Daniels, Dominick V.	Miller	Stokes
Davis, S.C.	Minish	Studds
Delaney	Mink	Symms
Denholm	Minshall, Ohio	Taylor, Mo.
Dent	Mitchell, Md.	Towell, Nev.
Devine	Mizell	Traxler
Donohue	Moakley	Vander Veen
Duncan	Mollohan	Vanik
Eilberg	Montgomery	Vigorito
Eshleman	Moss	Wampler
Evins, Tenn.	Murphy, Ill.	Whitten
Flood	Murtha	Wilson, Charles, Tex.
Foley	Myers	Wydler
Ford	Natcher	Wylie
Froehlich	Nedzi	Wyman
Gaydos	Nichols	Young, Alaska
Gibbons	Obey	Young, Fla.
Ginn	O'Hara	Zablocki
Goodling	Parris	
Green, Oreg.	Patman	
	Perkins	

NOT VOTING—56

Addabbo	Dorn	Jones, Tenn.
Boland	Dulski	King
Carey, N.Y.	Esch	Litton
Carter	Findley	McCloskey
Clark	Gray	Macdonald
Clay	Hansen, Idaho	Matsunaga
Collier	Hastings	Mills
Corman	Hawkins	Morgan
Davis, Ga.	Hébert	Murphy, N.Y.
de la Garza	Helstoski	Nix
Diggs	Huber	Pettis
Dingell	Johnson, Pa.	Peyser
Rees	Steele	Williams
Reid	Stubblefield	Wilson, Charles H., Calif.
Rogers	Sullivan	Wyatt
Roncallo, N.Y.	Symington	Young, Ga.
Rooney, N.Y.	Talcott	
Runnels	Teague	
Skubitz	Waggonner	
Slack	Ware	

So the bill passed.

The Clerk announced the following pairs:

On this vote:

Mr. Matsunaga for, with Mr. Stubblefield against.

Mr. Diggs for, with Mr. Rooney of New York against.

Mr. Boland for, with Mr. Slack against.

Mr. Rees for, with Mr. Gray against.

Mr. Charles H. Wilson of California for, with Mr. Clay against.

Mr. Nix for, with Mr. Rogers against.

Until further notice:

Mr. Carey of New York with Mr. Runnels.

Mr. Litton with Mr. Hawkins.

Mr. Macdonald with Mr. Roncallo of New York.

Mr. Morgan with Mr. Peyser.

Mr. Murphy of New York with Mr. Pettis.

Mr. Reid of New York with Mr. McCloskey.

Mr. Dulski with Mr. Carter.

Mr. Waggonner with Mr. Huber.

Mr. Hébert with Mr. Hastings.

Mr. Teague with Mr. Collier.

Mrs. Sullivan with Mr. Hansen of Idaho.

Mr. Symington with Mr. Esch.

Mr. Young of Georgia with Mr. Findley.

Mr. Helstoski with Mr. King.

Mr. Jones of Tennessee with Mr. Johnson of Pennsylvania.

Mr. Clark with Mr. Talcott.

Mr. Corman with Mr. Wage

Mr. Davis of Georgia with Mr. Williams.

Mr. de la Garza with Mr. Wyatt.

Mr. Dingell with Mr. Dorn.

Mr. Addabbo with Mr. Steele.

Mr. Mills with Mr. Skubitz.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. CULVER. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate bill (S. 2957) relating to the activities of the Overseas Private Investment Corporation, a bill similar to H.R. 13973 just passed by the House, and I 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 Iowa?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2957

An act relating to the activities of the Overseas Private Investment Corporation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Private Investment Corporation Amendments Act".

SEC. 2. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(1) In section 231—

(A) in the first sentence, strike the word "progress" and insert in lieu thereof the word "development";

(B) strike out clause (a) and insert in lieu thereof the following:

"(a) to conduct financing, insurance, and reinsurance operations on a self-sustaining basis, taking into account in its financing

operations the economic and financial soundness of the project;";

(C) strike out clause (b);

(D) in clause (d), strike out ", when appropriate,", and insert after "efforts to share its insurance" the following: "and reinsurance";

(E) strike out clause (e) and insert in lieu thereof the following:

"(e) to give preferential consideration in its investment insurance and reinsurance activities, to the maximum practicable extent consistent with the accomplishment of its purposes, to investment projects involving the skills and resources of small business;";

(F) in clause (i), after "balance-of-payments" insert "and employment"; and

(G) strike out the word "and" at the end of clause (j), and insert the word "and" at the end of clause (k); and add at the end of the section the following new clause:

"(l) to the maximum extent practicable, to give preferential consideration in its investment insurance and reinsurance activities to investment projects in the least developed among the developing countries.".

(2) Section 234 is amended—

(A) by striking out the section caption and inserting in lieu thereof the following: "INVESTMENT INSURANCE AND OTHER PROGRAMS"; and

(B) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) INVESTMENT INSURANCE.—(1) The Corporation is authorized to issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any or all of the following risks with respect to projects which the Corporation has approved:

"(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

"(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government; and

"(C) loss due to war, revolution, or insurrection.

"(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations and institutions for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder, except that liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the Corporation's proportional share as specified in paragraphs (4) and (5) of this subsection.

"(3) Not more than 10 per centum of the total face amount of investment insurance which the Corporation is authorized to issue under this subsection shall be issued to a single investor.

"(4) (A) It is the intention of Congress that the Corporation achieve participation by private insurance companies, multilateral organizations or others in liabilities incurred in respect of the risks referred to in paragraphs (1) (A) and (B) of this subsection under contracts issued commencing January 1, 1975, of at least 25 per centum, and, under contracts issued commencing January 1, 1978, of at least 50 per centum. If for good reason it is not possible for the Corporation to achieve these objectives, the Corporation shall report to the Senate Foreign Relations Committee and the House Foreign Affairs Committee in detail, the reasons for its inability to achieve these objectives and the date by which they are to be achieved.

"(B) The Corporation shall no longer participate as insurer under insurance policies issued after December 31, 1979, in respect to the risks referred to in paragraph (1) (A) and (B) of this subsection unless Congress by law modifies this paragraph.

"(5) (A) It is the intention of Congress that the Corporation achieve participation by private insurance companies, multilateral organizations or others in liabilities incurred in respect of the risks referred to in paragraph (1) (C) of this subsection under contracts issued commencing January 1, 1976, of at least 12½ per centum, and, under contracts issued commencing January 1, 1979, of at least 40 per centum. If for good reason it is not possible for the Corporation to achieve these objectives, the Corporation shall report to the Senate Foreign Relations Committee and the House Foreign Affairs Committee in detail the reasons for its inability to achieve these objectives, and the date by which they are to be achieved.

"(B) The Corporation shall no longer participate as insurer under insurance policies issued after December 31, 1980, in respect to the risks referred to in paragraph (1) (C) of this subsection unless Congress by law modifies this paragraph.

"(6) Notwithstanding the percentage objectives of paragraphs (4) (A) and (5) (A) of this subsection, the Corporation may agree to assume liability as insurer for any policy, or share thereof, that a private company or multilateral organization or institution has issued in respect of the risks referred to in paragraph (1) of this subsection, and neither the execution of such agreement nor its performance by the Corporation shall be considered as participation by the Corporation in any such policy for purposes of such objectives. Commencing January 1, 1981, the Corporation shall not further enter into any agreement to assume liability as a direct insurer for any policy issued after that date by any company, organization, or institution.

"(7) The Corporation is authorized to issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in paragraph (1) of this subsection. The amount of reinsurance liabilities which the Corporation may incur under this paragraph shall not exceed $600,000,000 times the number of years from the date of enactment of this paragraph, and shall never exceed $12,000,000,000 in the aggregate. All such reinsurance shall require that the reinsured party retain for his own account specified portions of liability so that, before the Corporation is required to make any reinsurance payment, the reinsured party will absorb in any one year a loss equal to at least 50 per centum of the face value of all the insurance it has outstanding in the country in which it has issued the most insurance subject to reinsurance by the Corporation. All reinsurance issued by the Corporation shall be issued in a business-like manner.

"(8) On December 31, 1979, the Corporation shall cease to write or manage direct insurance issued after such date in respect to risks referred to in paragraph (1) (A) or (B) of this subsection unless Congress by law modifies this sentence. On December 31, 1980, the Corporation shall cease to write or manage direct insurance issued after such date in respect to risks referred to in paragraph (1) (C) of this subsection unless Congress by law modifies this sentence. It shall thereafter act solely as a reinsurer except to the extent necessary to manage its outstanding insurance and reinsurance contracts and, subject to the restrictions of paragraph (6) of this subsection, any policies the Corporation assumes when private insurance companies and multinational organizations and institutions fail to renew their short-term policies.

"(9) For purposes of this subsection, new policies include renewals and extensions of policies.

"(10) The Corporation is authorized, subject to the provisions of paragraph (8) of this subsection, to make and carry out contracts of insurance and reinsurance, and agreements to associate and share risks, with insurance companies, financial institutions, or others, or groups thereof, employing the same, where appropriate, as its agent, or acting as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in other matters incident to doing an insurance business, and pooling and other risk-sharing arrangements with other national or multinational insurance or financing agencies or groups thereof, and to hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance."

(3) In section 235—

(A) in subsection (a) (4), strike out "section 234 (a) and (b)" and insert in lieu thereof "section 234(a)", and strike out "December 31, 1974," and insert in lieu thereof the following: "December 31, 1976.";

(B) in subsection (d), after the words "investment insurance" add the words "and reinsurance"; and

(C) strike subsection (f) and insert in lieu thereof the following:

"(f) There are authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund, to discharge the liabilities under insurance, reinsurance, and guaranties issued by the Corporation or issued under predecessor guaranty authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to this subsection. However, no appropriations to augment the Insurance Reserve shall be made until the amount of funds in the Insurance Reserve is less than $25,000,000. Any appropriations to augment the Insurance Reserve shall then only be made either pursuant to specific authorization enacted after the date of enactment of the Overseas Private Investment Corporation Amendments Act, or to satisfy the full faith and credit provision of section 237(c). In order to discharge liabilities under investment insurance or reinsurance, the Corporation is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed $100,000,000, which shall be repaid within one year of the date of issue. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such obligations. The Secretary of the Treasury is hereby authorized and directed to purchase any obligation of the Corporation issued hereunder.".

(4) In section 237—

(A) in subsection (a), strike out "and guaranties" and insert in lieu thereof a comma and "guaranties, and reinsurance"; and strike out "or guaranties" and insert in lieu thereof a comma and "guaranties, or reinsurance";

(B) strike out subsection (b) and insert in lieu thereof the following:

"(b) The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance, guaranty, or reinsurance issued under this title, including arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance, guaranty, or reinsurance is to be made and any right, title, claim, or cause of action existing in connection therewith.";

(C) strike out subsection (c) and insert in lieu thereof the following:

"(c) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, all guaranties heretofore issued pursuant to prior guaranty authorities repealed by the Foreign Assistance Act of 1969, and all insurance, reinsurance, and guaranties issued pursuant to this title shall constitute obligations, in accordance with the terms of such insurance, reinsurance, or guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.";

(D) strike out subsection (d) and insert in lieu thereof the following:

"(d) Fees shall be charged for insurance, guaranty, and reinsurance coverage in amounts to be determined by the Corporation. In the event fees charged for investment insurance, guaranties, or reinsurance are reduced, fees to be paid under existing policies for the same type of insurance, guaranties, or reinsurance and for similar guaranties issued under predecessor guaranty authority may be reduced.";

(E) in subsection (e), after the word "insurance" strike out "or guaranty" and insert in lieu thereof a comma and "guaranty, or reinsurance";

(F) add the following sentence at the end of subsection (f): "Notwithstanding the foregoing, the Corporation shall limit the amount of direct insurance and reinsurance issued by it under section 234(a) so that risk of loss as to at least 10 per centum of the total investment of the insured or its affiliates in the project is borne by the insured or such affiliates on the date the insurance is issued.";

(G) in subsection (g), after the word "guaranty", insert a comma and "insurance, or reinsurance";

(H) in subsection (h), after the word "Insurance", strike out "or guaranties" and insert in lieu thereof a comma and "guaranties, or reinsurance";

(I) in subsection (i), after the word "insurance", insert ", reinsurance,"; and

(J) strike out subsection (k) and insert in lieu thereof the following:

"(k) In making a determination to issue insurance, guaranties, or reinsurance under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance, guaranty, or reinsurance upon the balance of payments of the United States.".

(5) In section 239—

(A) in subsection (b), add the following new sentences at the end thereof: "On December 31, 1979, the Corporation shall cease operating the programs authorized by section 234 (b) through (e) and section 240. Thereafter, the President is authorized to transfer such programs, and all obligations, assets, and related rights and responsibilities arising out of, or related to, such programs to other agencies of the United States. Upon any such transfer, these programs shall be limited to countries with her capita income of $450 or less in 1973 dollars."; and

(B) add at the end thereof the following:

"(h) Within six months of the date of enactment of this subsection, the Corporation shall develop and implement specific criteria intended to minimize the potential environmental implications of projects undertaken by investors abroad in accordance with any of the programs authorized by this title.".

(6) In section 240, relating to agricultural credit and self-help community development projects, strike out subsection (h).

(7) In section 240A, strike out subsection (b) and insert in lieu thereof the following:

"(b) Not later than January 1, 1976, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all of its activities to private insurance companies, multilateral organizations and institutions, or other entities.".

MOTION OFFERED BY MR. CULVER

Mr. CULVER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CULVER moves to strike out all after the enacting clause of the bill S. 2957 and insert in lieu thereof the provisions contained in H.R. 13973 as passed by the House, as follows:

That this Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1974".

SEC. 2. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191-2200a) is amended—

(1) by striking out "progress" in the first sentence of section 231 and inserting "development" in lieu thereof;

(2) by inserting ", insurance, and reinsurance" after "financing" the first time it occurs in clause (a) of section 231;

(3) by inserting "in its financing operations" after "taking into account" in clause (a) of section 231;

(4) by striking out ", when appropriate," in clause (d) of section 231;

(5) by inserting "and reinsurance" after "efforts to share its insurance" in clause (d) of section 231;

(6) by striking out clause (e) of section 231 and inserting in lieu thereof the following:

"(e) to give preferential consideration in its investment insurance, financing, and reinsurance activities (to the maximum extent practicable consistent with the Corporation's purposes) to investment projects involving businesses of not more than $2,500,000 net worth or with not more than $7,500,000 in total assets;";

(7) by inserting "and employment" after "balance-of-payments" in clause (i) of section 231;

(8) by striking out "and" after the semicolon in clause (j) of section 231;

(9) by striking out the period at the end of clause (k) of section 231 and inserting a semicolon in lieu thereof;

(10) by inserting at the end of section 231 the following:

"(l) to the maximum extent practicable, to give preferential consideration in the Corporation's investment insurance, financing, and reinsurance activities to investment projects in the less developed friendly countries which have per capita incomes of $450 or less in 1973 United States dollars;

"(m) to identify foreign investment opportunities in less developed friendly countries and areas, and to bring information concerning such opportunities to the attenton of potential eligible investors in such countries or areas; and

"(n)(1) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause such investor (or the sponsor of an investment project in which such investor is involved) significantly to reduce the number of his employees in the United States because he is replacing his United States production with production from such investment which involves substantially the same product for substantially the same market as his United States production; and (2) to monitor conformance with the representations of the investor on which the Corporation relied in making the determination required by clause (1).";

(11) by amending the section heading of section 234 to read as follows: "INVESTMENT INSURANCE AND OTHER PROGRAMS."

(12) by inserting at the end of subsection (a) of section 234 the following new paragraphs:

"(4)(A) It is the intention of Congress that the Corporation should achieve participation by private insurance companies, multilateral organizations, or others in at least 25 per centum of liabilities incurred in respect of the risks referred to in subparagraphs (1) (A) and (B) of this subsection under contracts issued on and after January 1, 1975, and in at least 50 per centum of liabilities incurred in respect of such risks under contracts issued on and after January 1, 1978. If it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Senate Foreign Relations Commitee and the Foreign Affairs Committee of the House of Representatives the reasons for its inability to achieve either such percentage of participation, and the date by which such percentage can be achieved.

"(B) It is the intention of Congress that the Corporation should not participate as insurer under contracts of insurance issued after December 31, 1979, in respect of the risks referred to in subparagraphs (1)(A) and (B) of this subsection.

"(5)(A) It is the intention of Congress that the Corporation should achieve participation by private insurance companies, multilateral organizations, or others in at least 12 per centum of liabilities incurred in respect of the risks referred to in subparagraph (1)(C) of this subsection under contracts issued on and after January 1, 1976, and in at least 40 per centum of liabilities incurred in respect of such risks under contracts issued on and after January 1, 1979. If it is not possible for the Corporation to achieve either such percentage of participation, the Corporation shall report in detail to the Senate Foreign Relations Committee and the Foreign Affairs Committee of the House of Representatives the reasons for its inability to achieve either such percentage of participation, and the date by which such percentage can be achieved.

"(B) It is the intention of Congress that the Corporation should not participate as insurer under insurance policies issued after December 31, 1980, in respect of the risks referred to in subparagraph (1)(C) of this subsection.

"(6) Notwithstanding any of the percentages of participation under subparagraphs (4)(A) and (5)(A) of this subsection, the Corporation may agree to assume liability as insurer for any insurance contract, or share thereof, that a private insurance company, multilateral organization, or any other person has issued in respect of the risks referred to in paragraph (1) of this subsection, and neither the execution of such an agreement to assume liability nor its performance by the Corporation shall be considered as participation by the Corporation in any such insurance contract for purposes of such percentages of participation. However, it is the intention of Congress that on and after January 1, 1981, the Corporation should not enter into any such agreement to assume liability.

"(7) It is the intention of Congress—

"(A) that the Corporation should not manage direct insurance issued on and after December 31, 1979, by any other person in respect of risks referred to in subparagraph (1) (A) or (B) of this subsection;

"(B) that the Corporation should not manage direct insurance issued on and after December 31, 1980, by any other person in respect of risks referred to in subparagraph (1)(C) of this subsection; and

"(C) that on and after December 31, 1980, the Corporation should act only as a reinsurer except to the extent necessary to manage its outstanding insurance or reinsurance contracts and any policies the Corporation assumes pursuant to paragraph (6).";

(13) by inserting at the end of section 234 the following new subsection:

"(f) OTHER INSURANCE FUNCTIONS.—

"(1) to make and carry out contracts of insurance or reinsurance, or agreements to associate or share risks, with insurance companies, financial institutions, any other persons, or groups thereof, and employing the same, where appropriate, as its agent, or acting as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in any other matter incident to an insurance business;

"(2) to enter into pooling or other risk-sharing arrangements with other national or multinational insurance or financing agencies or groups of such agencies;

"(3) to hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance; and

"(4) to issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in subsection (a)(1).

The authority granted by paragraph (3) may be exercised notwithstanding the prohibition under section 234(c) against the Corporation purchasing or investing in any stock in any other corporation. The amount of reinsurance of liabilities under this title which the Corporation may issue shall not exceed $600,000,000 in any one year, and the amount of such reinsurance shall not in the aggregate exceed at any one time an amount equal to the amount authorized for the maximum contingent liability outstanding at any one time under section 235(a)(1). All reinsurance issued by the Corporation under this subsection shall require that the reinsured party retain for his own account specified portions of liability, whether first loss or otherwise, and the Corporation shall endeavor to increase such specified portions to the maximum extent possible.";

(14) by striking out "1974" in section 235 (a)(4) and inserting "1977" in lieu thereof;

(15) by striking out "insurance issued under section 234(a)" in subsection (d) of section 235 and inserting in lieu thereof the following: "insurance or reinsurance issued under section 234";

(16) by striking out subsection (f) of section 235 and inserting in lieu thereof the following:

"(f) There are authorized to be appropriated to the Corporation, to remain available until expended, such amounts as may be necessary from time to time to replenish or increase the insurance and guaranty fund, to discharge the liabilities under insurance, reinsurance, or guaranties issued by the Corporation or issued under predecessor guaranty authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to this subsection. However, no appropriations, after appropriations for fiscal year 1975, shall be made to augment the Insurance Reserve until the amount of funds in the Insurance Reserve is less than $25,000,000. Any appropriations to augment the Insurance Reserve shall then only be made either pursuant to specific authorization enacted after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974, or to satisfy the full faith and credit provision of section 237(c). In order to discharge liabilities under investment insurance or reinsurance, the Corporation is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed $100,000,000. Any such obligation shall be repaid to the Treasury within one year after the date of issue of such obligation. Any such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of any obligation authorized by this subsection. The Secretary of the Treasury shall purchase any obligation of the Corporation issued under this subsection, and for such purchase he may use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974. The purposes for which securities may be issued under such Bond Act shall include any such purchase.";

(17) by striking out "and guaranties" in subsection (a) of section 237 and inserting in lieu thereof the following: ", guaranties, and reinsurance";

(18) by striking out "or guaranties" in subsection (a) of section 237 and inserting in lieu thereof the following: ", guaranties, or reinsurance";

(19) by striking out "or guaranty" both times it occurs in subsection (b) of section 237 and inserting in lieu thereof both times the following: ", guaranty, or reinsurance";

(20) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (c) of section 237;

(21) by inserting ", reinsurance," after "insurance" the first two times it occurs in subsection (d) of section 237;

(22) by striking out "or insurance" in subsection (d) of section 237 and inserting in lieu thereof the following: ", insurance, or reinsurance";

(23) by striking out "or guaranty" in subsection (e) of section 237 and inserting ", guaranty, or reinsurance" in lieu thereof;

(24) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (f) of section 237;

(25) by adding at the end of subsection (f) of section 237 the following: "Notwithstanding the preceding sentence, the Corporation shall limit the amount of direct insurance and reinsurance issued by it under section 234 so that risk of loss as to at least 10 percent of the total investment of the insured and its affiliates in the project is borne by any person other than the Corporation on the date the insurance is issued. The preceding sentence shall not apply to any loan by any insurance company, pension fund, or other institutional lender, or to any investment by a small business.";

(26) by inserting ", insurance, or reinsurance" after "guaranty" in subsection (g) of section 237;

(27) by striking out "or guaranties" in subsection (h) of section 237 and inserting ", guaranties, or reinsurance" in lieu thereof;

(28) by inserting ", reinsurance," after "insurance" in subsection (i) of section 237;

(29) by inserting ", reinsurance," after "insurance" both times it occurs in subsection (k) of section 237; and

(30) by adding at the end of subsection (f) of section 239 the following: "The Council shall terminate on December 31, 1977.";

(31) by adding at the end of section 239 the following:

"(h) Within six months after the date of enactment of the Overseas Private Investment Corporation Amendments Act of 1974, the Corporation shall develop and implement specific criteria intended to minimize the potential environmental implications of projects undertaken by investors abroad in accordance with any of the programs authorized by this title.

"(i) It is the intention of Congress that on or after December 31, 1979, the President should transfer all programs under section 234 (b) through (e) or section 240, and all obligations, assets, and related rights and responsibilities arising out of, or related to, such programs to any other agency of the United States.

"(j) On and after December 31, 1979, all programs authorized under section 234 (b) through (e) or section 240 shall be limited to countries with a per capita income of $450 or less in 1973 United States dollars.";

(32) by striking out "in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries" in subsection (a) of section 240 and inserting in lieu thereof the following: ", the authority conferred by this section should be used to establish programs in such countries";

(33) by striking out "not more than five Latin American countries" in subsection (b) of section 240 and inserting "less developed countries" in lieu thereof;

(34) by striking out "25 per centum" in subsection (b) of section 240 and inserting "50 per centum" in lieu thereof;

(35) by striking out "1972" in subsection (g) of section 240 and inserting "1976" in lieu thereof;

(36) by striking out "pilot" in subsection (g) of section 240;

(37) by striking out "1974" in section 240 (h) and inserting "1977" in lieu thereof; and

(38) by striking out subsection (b) of section 240A and inserting in lieu thereof the following:

"(b) Not later than January 1, 1976, the Corporation shall submit to the Congress an analysis of the possibilities of transferring all of its activities to private insurance companies, multilateral organizations or institutions, or other entities."

The motion was agreed to.

The Senate will was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the title of the Foreign Assistant Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, and for other purposes."

A similar House bill (H.R. 13973) was laid on the table.

GENERAL LEAVE

Mr. CULVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 13973) just passed.

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

There was no objection.

CONFERENCE REPORT ON H.R. 7824, LEGAL SERVICES CORPORATION ACT OF 1974

Mr. PERKINS. Mr. Speaker, I call up the conference report on the bill (H.R.

7824) to establish a Legal Services Corporation, 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 Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 13, 1974).

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with and that it be printed in the RECORD.

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

There was no objection.

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

Mr. Speaker, we have before us today for the third time in as many years legislation that would create an independent corporation to administer the legal services program.

Before discussing the substance of this conference report, let me take this opportunity to express my appreciation for the work performed by the House conferees. Had it not been for the untiring efforts of Congressman HAWKINS, the chairman of the Equal Opportunities Subcommittee, the gentlelady from Hawaii (Mrs. MINK), and the gentleman from Washington (Mr. MEEDS), together with the cooperation and concurrence of the ranking minority members, Mr. QUIE, Mr. ASHBROOK, and Mr. STEIGER, this most difficult conference would still not be concluded. These conferees have produced an agreement which retains the protections that the House adopted, and at the same time creates an independent structure to operate the program in the coming years.

The Board of Directors of the Legal Services Corporation, all of whom are appointed by the President with the advice and consent of the Senate, is faced with a challenge to operate this program *so that the* poor will receive the highest quality legal assistance while avoiding the obstacle that the program has experienced in the past.

Mr. Speaker, the governing body of the local recipients must be composed of local lawyers who are admitted to practice before the highest court of their State. The recipients are also required to solicit the recommendations of the local bar association in filling staff attorney positions in the communities. The combination of these two provisions will, to my way of thinking, guarantee the legal services program a substantial base of local support that will enable it to work more effectively than ever before.

It is my firm belief, Mr. Speaker, that enactment of this legislation will take us past a milestone in the legal services program.

The conference bill that we will vote on today assures that first-rate quality counsel will be provided to the Nation's poor. At the same time, the conferees have expended major efforts to make sure that potential abuses of the program will be curbed so that we can continue and improve upon the fine political and public support that has followed the legal services program since its inception. Since we have painstakingly worked out the provisions that will prevent abuses of the program by the Corporation and its recipients and employees, it is our expectation that the provisions of this bill will be properly enforced. Similarly, it is our expectation that no additional restrictions on the activities of recipients and their employees will be established by the Corporation—other than the ones set forth in this bill—since this would upset the fine balance that we tried to achieve with this legislation.

An example of the potential abuses that we tried to curb under this legislation was the use of lawsuits solely to harass defendants—rather than to bring justifiable claims. As a result, we have permitted courts, solely where an express finding has been made that "the action was commenced or pursued for the sole purpose of harassing a defendant" or that the "recipient's plaintiff maliciously abused legal process," to award reasonable costs and legal fees incurred by the defendant. Of course, such an award of costs and fees cannot be made final until all appeals have been exhausted, and no award of costs and fees will be permitted if such an award contravenes any State law, any rule of court, or any statute of general applicability.

Thus, under the bill we are considering today, costs and fees can be collected directly from the Corporation, without taxing the recipient or employee involved, where a lawsuit was filed or pursued solely to harass a defendant.

Under this bill, the conferees have decided to continue the important backup center system that was established under OEO's legal services program. These groups—which have provided valuable research, advice, legal counsel, and cocounsel assistance—are invaluable to a program that requires expert handling of poor people's legal problems and, thus, the bill envisions their continued activities. Insofar as there has been some debate concerning the best possible method of providing backup assistance in the legal services program, the bill requires the Corporation to conduct a study of the most efficient methods of providing the much-needed backup work. This study shall be submitted by the Corporation to the Congress by June 30, 1975.

Although a study is required of the most efficient method of providing backup support.

Under our bill, Congress may, by concurrent resolution, act with respect to the continued authority to provide grants and contracts for backup work. If, however, the Congress does not so act during the period from June 30, 1975, to January 1, 1976, then the authority to award grants and contracts for the backup work that I have described will automatically be extended to January 1, 1977.

The conferees expect that the Corporation, when it prepares its report for the Congress on the backup centers, will include the numerous evaluations that have been made about these centers over the past year. Further, the Corporation expects that the backup centers will be fully protected by all of the due process safeguards that attach to recipients and employees under this bill. Moreover, the 30-day notice to Governors and State bar associations prior to the approval of any grant application, as set forth in section 1007(f) of the bill, shall be applicable for backup centers, but only in the State where that center has its office.

Since the effort to provide legal services for the poor is contingent upon the hiring of intelligent, trusted, and resourceful personnel, it is contemplated that the Corporation will continue to hire well-qualified new lawyers, particularly those with minority backgrounds—similar to the clients they often will serve.

Under the conference bill we have presently before us, the Corporation is required to establish eligibility standards—after it has consulted with the Director of the Office of Management and Budget and with the Governors of the several States—for determining which individuals are eligible for legal assistance. Attorneys hired by recipients will serve these individuals as well as groups composed primarily of eligible individuals—such as cooperatives, day-care centers, and the like. Although recipients and their employees may not organize any groups, coalitions, associations, and other entities, it is expected that recipients and employees will provide complete legal representation to such organizations if they predominantly draw their membership from eligible individuals and families.

The bill that we have before us curbs recipients and their attorneys from advocating their own causes rather than those of their clients. The bill prevents recipients and their employees from participating in legislative and administrative advocacy except under two circumstances. First, such recipients and employees thereof may advocate before all legislative, executive, and administrative bodies if such advocacy is in behalf of an eligible client or group. In short, our prohibition against legislative and administrative representation is designed to make sure that program lawyers espouse the legal needs of their clients, not their own ideological beliefs.

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Our second exception to the prohibition against legislative and administrative advocacy results when "a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto." Consequently, if a member of a legislature or a legislative committee requests that representations be made to such legislature or committee, then the personnel of a recipient shall be allowed to appear before those respective bodies. Similarly, if a member of an agency or an executive body requests that representations be made to

such agency or executive body, such as commenting on proposed regulations in the Federal Register prior to final promulgation, then personnel of a recipient should be permitted to do so. By carving out this exception to the prohibition against legislative and administrative advocacy, the program will remain responsive to the desires of elected and duly appointed personnel of our Federal, State, and local governments, thus maintaining the program's political responsiveness to our chosen leaders.

With regard to the prohibition on representing juveniles the conference report provides in section 1007(b)(4)(D) that legal services attorneys may not initiate litigation on behalf of a juvenile directly against the juvenile's parent or guardian. It is important to point out, however, that in imposing this restriction the conferees did not intend to otherwise limit the provision of full range of legal services and advice to juveniles. For example, the words "benefit—and—services under law" means all the rights to which a juvenile is entitled under Federal and State laws as well as all constitutionally protected rights. Furthermore, the prohibition on suing parents or guardians is not intended to exclude a suit brought against a nonparent or a nonguardian where the nonparent joins the parent as a third party defendant or respondent. It should be further noted that it is my understanding that this prohibition refers only to a guardian as an individual and not a public agency or entity which has been appointed to be such juvenile's guardian. If, for example, the State has been appointed guardian the legal services attorneys may in appropriate circumstances initiate litigation on behalf of the juvenile against the State as a guardian.

In pointing out how the bill that we now have before us represents a considerable compromise, it should be noted that the conference has bowed to the President's wishes that he appoint the Corporation board. It is our hope that, in fulfilling his requested responsibility in this regard, that the President begins the board selection process very soon. Since we have waited several years for the passage of a bill like the one presently before us, it is important that the Corporation be set up as soon as possible. Therefore, it is our hope and expectation that Corporation board members will be selected soon after the passage of this bill.

In selecting board members, we hope that the President will designate a prestigious group of people. This would help the public to provide the necessary support for this crucial legal undertaking in behalf of the poor.

The conference report contains a provision which requires the Corporation and all recipients to account for and report as receipts and disbursements separate and distinct from Federal funds all non-Federal funds which they receive. This requirement is qualified in two ways.

First, any public funds—including foundation funds benefiting Indians or Indian tribes—received by the Corporation or by a recipient are not within the scope of the prohibition.

Second, certain types of entities such as private law firms, State, and local entities of attorneys, or private attorneys, or legal aid societies having separate public defender programs are not included in the prohibition.

To my way of thinking, Mr. Speaker, this provision would not prohibit the Legal Aid Society in New York from continuing to operate in the manner which it has in the past nor would this provision have any effect on the operation of the legal aid program in the State of Hawaii.

I urge the Members of this House to provide strong support for this bill so that we clearly and emphatically further the principle of equal justice for all.

Mr. QUIE. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, I rise in support of the conference report on H.R. 7824. After 3 years of work, we have a bill establishing a Legal Services Corporation for the provision of legal services to the poor in civil cases which almost everyone should be able to support. I am confident that this bill will be enacted.

When the legislation came to the House floor in June of last year many of us were dissatisfied with a number of its provisions which, in our view, failed to sufficiently circumscribe the conduct of legal service attorneys in such areas as political activities, both administrative and legislative lobbying, representation of minors without parental consent, and the use of the program to promote their particular social or economic causes as opposed to simply providing legal advice and representation for the poor. We also wanted the program more closely tied to the local organized bar. Many Members of the House were also concerned about the handling of certain types of cases, such as those involving abortion, school desegregation, and selective service offenses or desertion from the armed services. So there were numerous amendments adopted to the reported bill before it went to the other body for consideration.

Typically, while accepting the substance of a few of the House provisions, such as those dealing with abortion and selective service or desertion from the Armed Forces, the other body either failed to include or so watered down most of the other amendments adopted on the House floor that their substance was lost. Of course, vast portions of the two bills were identical or substantially so and need not concern us here.

What I am happy to be able to report to the House today is that in the critical areas the substance of the House bill was adhered to in conference and is reflected in this conference report. In a few areas we had to compromise, but that is the nature of the process. Let me report our action in those areas I feel are of greatest significance.

1. POLITICAL ACTIVITIES

The two bills were similar in preventing legal services attorneys while engaged in activities funded by the act from taking part in such things as voter registration drives and transporting voters to the polls; they were different in that the House bill, but not the Senate amendment, prohibited attorneys receiving more than one-half their professional income from the legal services program from taking part in those activities at any time, or in taking an active part in partisan or nonpartisan political management or campaigns. The House version prevailed. Not only did the House version prevail, but we included two Senate provisions which bring employees of the Legal Services Corporation under the Hatch Act and prohibits employees of the Corporation or employees of recipients of aid from the Corporation to intentionally identify the legal services program with any political campaign. So we took the strongest language of both bills on political activity.

2. LOBBYING

The House bill absolutely prohibited lobbying in State legislatures or in the Congress by legal services attorneys, except for making statements upon formal invitation. The Senate version permitted such statements upon invitation and also in the course of representing an eligible client. The House bill also barred lobbying on Executive orders and similar promulgations at local, State, and National levels, except upon invitation or in the course of providing legal assistance to an eligible client which was not covered at all by the Senate bill. The conference agreement covers so-called administrative lobbying. However, it takes the Senate language permitting attorneys, acting as attorneys, to represent eligible clients in legislative and administrative proceedings at the local, State, and National levels, but with strengthening language which prohibits the solicitation of a client or of a group in order to make such representation possible. In short, the conference agreement bars representations on legislative or administrative matters except upon formal invitations or in the representation of an eligible client. Thus it effectively prohibits an organized lobbying effort funded by this program. I think this retains the intention of the House provisions.

3. PARTICIPATION OF ORGANIZED BAR

The House bill had two very strong provisions on this—one an amendment offered by me which requires that two-thirds of the governing board of legal service programs—as opposed to a simple majority—be composed of attorneys who are members of the bar in the State in which the legal services are to be rendered. In addition, we adopted an amendment of Chairman PERKINS which requires not only that the recommendations of the local bar so solicited before filling staff attorney positions in these programs, but that preference in filling such positions be given to local attorneys. The conference agreement cuts the two-thirds local attorney requirement to 60 percent, but it retains Chairman PERKINS' requirement on hiring intact.

4. AWARD OF ATTORNEY'S FEES TO PREVAILING DEFENDANTS

The gentlewoman from Oregon (Mrs. GREEN) amended the bill reported by our committee to permit a court in its own discretion to award a defendant, in a suit initiated under this act, reasonable court costs and attorney's fees when the

defendant is on the prevailing side. This is my understanding of the traditional equity power of a court when it finds that somebody has flagrantly abused legal process. We retained the provision, but inserted language requiring a finding that the plaintiff had brought the action solely for harassment or had *maliciously* abused legal process, and suspending such authority when it contravenes a rule of court or State law—which, of course, we did not intend to contravene by this statute.

5. REPRESENTATION OF MINORS WITHOUT PARENTAL CONSENT

The House bill prohibited the use of funds under this act for the representation of persons under 18 years of age without the written request of a parent or guardian, or of a court, except in child abuse cases, custody proceeding, or PINS—persons in need of supervision—proceedings. The Senate amendment applied the prohibition to "unemancipated persons under 18 years of age" and added other exempted categories of actions, such as those involving the institutionalization of minors. It also added two sweeping categories—"where such assistance is necessary for the protection of such person for securing or preventing the loss of benefits or services to which the person is legally entitled" and "in other cases pursuant to criteria the Board shall prescribe." These, of course, would have completely vitiated the requirement of parental request or consent. The conference agreement drops the "other cases" loophole completely and amends the other one to insert "or preventing the loss or imposition of services" and to limit it to "cases not involving the child's parent or guardian as a defendant or respondent." Thus again the House position substantially prevailed.

6. TREATMENT OF "BACKUP CENTERS"

The House bill as amended on the floor prohibited the Corporation from conducting research and training and clearinghouse information activities by grants or contracts, but required that such activities be conducted directly in an "in-house" operation. The focus of the amendment was the research activity conducted under the Economic Opportunity Act under contract with various universities, and generally referred to as "backup centers."

The 13 Legal Services Backup Centers are currently in their fourth year of operation. They were established to serve as legal information and research centers supporting the needs and demands of the various legal service programs in operation throughout the country. Generally, these centers are funded by grants from the Office of Economic Opportunity, Office of Legal Services. The OEO serves as grantor of the funds allocated for the centers and a university or independent board of directors serves as grantee and administers the operations of the backup center. Each of the 13 centers serves as both a regional and national authority in the particular area of law for which it was established. Each center is comprised of approximately six staff attorneys in addition to a clerical staff and one or two directors. The key priorities of each of the backup centers seem to be threefold. First, to keep all topical material updated and to respond with as current material as possible to the requests of the various legal services program attorneys; second, to train legal service program attorneys as extensively as possible in the topical area in which the backup center specializes; third, to work on the preparation of pamphlets and handbooks used for the dissemination of current information concerning legislation concerning the backup center's area of topical concern.

Location of backup centers:

National Juvenile Law Center, St. Louis, Missouri.

NLSP Center on Social Welfare Policy and Law, Inc., New York, New York.

Indian Legal Service Back-up Center, Boulder, Colorado.

National Housing and Economic Development Project, Berkeley, California.

National Employment Law Project, New York, New York.

National Health and Environmental Law Project, Los Angeles, California.

Legal Action Support Project of the Bureau of Social Science Research, Washington, D.C.

Migrant Legal Action Program, Inc., Washington, D.C.

National Resource Center on Correctional Law and Legal Services, Washington, D.C.

Western States Project, San Francisco, California.

National Senior Citizens Law Center, Los Angeles, California.

Harvard Center for Law and Education, Boston, Massachusetts.

The Senate bill contained the language of the House bill as reported from committee, with the addition of "recruitment" as a permissible activity. This difference took a great deal of time to resolve. We finally did resolve it by striking out the Senate reference to "recruitment" and permitting the Corporation to continue to conduct research by grant or contract until January 1, 1976, when such authority shall terminate unless in the intervening period the Congress by concurrent resolution has acted with respect to it; if the Congress has taken no such action, the authority automatically extends for 1 year until January 1, 1977, when it again terminates, 6 months prior to the termination of the authorization of appropriations under the act. The conference bill directs the Corporation to conduct a thorough study of the research activities and the relative merits of conducting them directly as opposed to contracting them out, and to report its findings and recommendations to the Congress and the President not later than June 30, 1975, so that we shall all have information sufficient to act on this matter. The provision of course returns the whole issue to the Congress for further action. But beyond that, I think that it raises a red flag to the Corporation with respect to the types of activities, and their effectiveness, which have been carried out by legal services "backup centers." Incidentally, in the statement of managers we specifically note that "research" includes furnishing co-counsel in cases, a practice which in certain instances has been criticized.

7. ANTIBARRATRY PROVISION

The conference bill retains the House prohibition against the use of this program for "the persistent incitement of litigation" or any other practice prohibited by the Canons of Ethics. The Senate amendment had no such provision.

8. USE OF NON-FEDERAL FUNDS FOR PROHIBITED PURPOSES

The House bill, but not the Senate amendment, prohibited the expenditure by recipients of non-Federal funds for a purpose prohibited by this act but also provided that the provision not be construed to make it impossible to contract or make other arrangements with private attorneys or private law firms, or with legal aid societies which have separate public defender programs—such as the Legal Aid Society of New York. In the course of the conference deliberations it was felt necessary to make two exceptions to this prohibition. The first relates to the source of funds and exempts public funds or tribal funds—including tribal funds from a private source—because otherwise State and local governments and most Indian tribes could not be recipients and might also be effectively barred from making contributions to programs supported in part under this act. The second exception merely expands the types of recipients already exempted from the provision to include "other State or local entities of attorneys." However, we retained the most significant requirement of the House bill: That an entity set up to act as a recipient under this act—which includes most of the legal services programs as now operated—cannot obtain foundation or other private funds and use them for purposes prohibited under this act.

9. PROHIBITION AGAINST USE OF FUNDS FOR DESEGREGATION CASES

The House bill in two separate provisions prohibited the use of funds to bring cases designed to desegregate any school or school system or any institution of higher education. The conference bill retains the prohibition against the use of funds for cases involving the desegregation of any school or school system, with the clarifying phrase "elementary or secondary" added before "school or school system."

10. TRANSFER OF PERSONNEL

The Senate amendment, but not the House bill, would have transferred OEO legal services personnel intact to the Corporation. The conference bill deletes this transfer in the transition provisions, thus leaving the Corporation free to make a fresh start and to pick and choose among OEO personnel on the basis of its own standards and needs.

There are literally dozens of instances where the language of the final product was improved by using either the House or Senate versions, and there are other instances where Senate language which had the tendency of "softening" restrictions was deleted. For example, in the language restricting the support or conduct of training programs for certain kinds of activities—political activities, labor, or antilabor activities, or boycotts, picketing, strikes, or demonstration—the Senate amendment had the modifier "illegal" inserted before "boycotts, picketing, strikes, or demonstration," which was deleted in conference.

There are a number of examples one can cite of "stronger" Senate language

being included in the conference bill. For example, the House bill had no provision with respect to the control of class action suits, whereas the Senate did and we accepted it. The House bill had no provision with respect to the "identification" of the legal services program with political activities, and accepting the Senate provision made those restrictions more extensive. And then there were points which we yielded, as this after all was a free conference and some compromises are necessary.

For example, the House had adopted a floor amendment which absolutely terminated the Corporation as of June 30, 1978. We yield on that point, but we did accept the Senate provisions which provide for a 3-year authorization of appropriations. The Congress through its authorizing committee must act by June 30, 1977, instead of June 30, 1978, or we had it in the House bill. We also agreed to a Senate provision which was inserted in their bill by Senator COTTON in an amendment, and which limits any appropriation to a period of 2 years; with the amount for the second year to be made available at the beginning of such year. The House bill had open ended authorizations, whereas the Senate bill had stated sums. We compromised by taking the stated sums for fiscal years 1975 and 1976—$90 and $100 million, respectively—and "such sums as may be necessary" for fiscal year 1977. Finally, we adopted the Senate form of the bill which is an amendment to the Economic Opportunity Act of 1964, adding a new title X. I voted against this recession by the House, but it has little substantive effect except on the issue of which committee of the Senate will consider the nominations of the President to the Board of Directors of the Corporation. No other provision of the Economic Opportunity Act relates to the provisions of title X.

In short, Mr. Speaker, this was a conference in which the managers on the part of the House were in very large measure successful in sustaining the position of the House. I cannot too highly praise Chairman PERKINS. for his leadership in achieving this result. Of course, I am personally grateful for the many contributions of all of the House conferees, but as the ranking minority member on our side I especially want to thank the gentleman from Ohio, JOHN ASHBROOK, and the gentleman from Wisconsin, BILL STEIGER, for their diligent work on this very difficult and demanding legislation.

The result, I believe, is a bill which will and most certainly should, be signed into law. I think it is a bill which the overwhelming majority of the Members of this House can in good conscience support, whatever their reservations about some details of particular provisions. It is designed at long last to provide the framework for a continuing program of legal services for the poor, untainted by politics and free, we certainly hope, from an atmosphere of rancor and controversy. Of course there will continue to be disagreements as to the merits of some of the litigation pursued—that is inherent in the very nature of our legal system, based as it is largely upon adversary proceedings. But I believe that we have put together an act which, faithfully administered, will provide increasing acceptability for this program.

Our objective is to come much closer to achieving the ideal of "equal justice under law" which is the bedrock of our democracy. I think this legislation is a well-balanced effort directed toward that end, and I urge its approval.

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

Mr. QUIE. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. FROEHLICH. Mr. Speaker, on June 21, 1973, during the debate on the Legal Services bill, I offered a substitute to an amendment proposed by the distinguished gentleman from Maryland (Mr. HOGAN), limiting the Legal Services Corporation's authority to engage in litigation on abortion. My substitute amendment was adopted by the House and subsequently incorporated into the bill. It has now become a part of this conference report.

I am very disturbed by the efforts to portray this amendment as ineffectual and meaningless. The amendment clearly has meaning; it clearly has force; and it cannot be nullified by word games in the OEO bureaucracy.

Permit me to set the record straight on the history and meaning of section 1007 (b)(8) of the conference report on H.R. 7824, which provides:

(b) No funds made available by the Corporation under this title, either by grant or contract, may be used—

* * * * *

(8) to provide legal assistance with respect to any proceeding or litigation which seeks to procure a nontherapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution; . . .

The language in this subsection was a substitute for Mr. HOGAN'S amendment, which prohibited the use of corporation funds—

(7) To provide legal assistance with respect to any proceeding or litigation relating to abortion.

During the debate on Mr. HOGAN'S amendment, the following colloquy took place:

Mr. DU PONT. I have a question for the sponsor of the amendment. Does the gentleman's amendment mean that if a woman received an abortion in a hospital and was injured as the result of medical malpractice, that the attorneys in the corporation would not be able to handle her suit?

Mr. HOGAN. No; I do not intend that at all. What I do intend is that no suit can be brought against a doctor or a nurse or a hospital that will not perform an abortion to force them to do so.

Mr. DU PONT. I understand what the gentleman intends, but what does his amendment say?

At that point in the debate, I offered my substitute amendment, stating in part:

Mr. Chairman, I think this wording will correct the defect pointed out in the Hogan amendment.

The defect in the Hogan amendment as originally submitted was that it was worded so broadly that it covered situations not intended. My amendment was designed to correct this overbreadth. It was not designed to radically alter the amendment's objective.

There is now some question concerning the meaning of the term "therapeutic abortion."

According to my good colleague from Georgia (Mr. BLACKBURN), a writer in the April publication of OEO's National Clearinghouse for Legal Services states that—

Any abortion which a woman requests is medically necessary, since the very request for the procedure indicates the importance of terminating the pregnancy to the woman's health, whether physical, mental, or emotional.

I disagree completely with this view of a "medically necessary" abortion. This is certainly not the view embodied in my amendment when it was approved overwhelmingly in the House. The type of abortion described in the passage above is an "elective abortion" that proceeds from complete freedom of choice and has nothing to do with medical necessity. Litigation by corporation attorneys to procure this kind of abortion is not authorized by the bill.

As it now stands, this legislation prohibits litigation by corporation attorneys to secure "nontherapeutic" abortions. It does not prohibit litigation to secure "therapeutic" abortions.

To my mind, a therapeutic abortion is an abortion that is a necessary part of the treatment of a serious existing illness or injury. A nontherapeutic abortion is an elective abortion that is not a necessary part of the treatment of a serious existing illness or injury. A nontherapeutic abortion is an abortion that is convenient to or desired by the mother but is not medically related in a necessary and integral way to the preservation of her life or physical health.

The term "nontherapeutic sterilization" was defined by the Public Health Service and the Social and Rehabilitation Service in regulations published in the Federal Register on April 18, 1974, at page 13873. Section 50.202(b) of the regulations defines nontherapeutic sterilization as—

Any procedure or operation, the purpose of which is to render an individual permanently incapable of reproducing and which is not either (1) a necessary part of the treatment of an existing illness or injury, or (2) medically indicated as an accompaniment of an operation on the female genitourinary tract. For purposes of this paragraph mental incapacity is not considered an illness or injury.

This definition of "nontherapeutic" is very much in line with my intent at the time I offered my substitute amendment.

In interpreting the term "nontherapeutic abortion," there is necessarily a gray area between a clearcut "elective abortion" that is undertaken for the convenience of the mother and a clearcut therapeutic abortion that is imperative to save the life of the mother. The conference report does not embody the Senate language which specifically barred legal assistance on abortion "unless the same is necessary to save the life of the mother."

Nonetheless, the purpose of the amendment is to severely limit the sit-

uations in which publicly financed attorneys are authorized to embark on publicly financed litigation to procure abortions; and the intent of the amendment is not to be nullified by an illimitably expansive interpretation of the term "therapeutic" so that the term "nontherapeutic" is rendered meaningless. No such leeway is permitted by the language in this amendment, and restrictive regulations should be drafted accordingly.

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

Mr QUIE. Mr. Speaker, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I compliment the distinguished gentleman from Minnesota (Mr. QUIE) for an outstanding speech and for his persevering attitude in obtaining this conference report.

Mr. Speaker, my question is, Did the House action eliminate the backup centers? I first thought that the action of the House took eliminated backup centers, but upon further study I found that the backup centers were not eliminated but that they were authorized to be operated directly by the Corporation. They were brought into headquarters here in Washington, and the work of the backup centers was all within the Corporation here in Washington. Am I correct in that statement?

Mr. QUIE. Mr. Speaker, the gentleman is correct. Any backup center activities would have to be conducted by the Corporation in the House bill.

Mr. PERKINS. But the House bill still has the authority and the right to do all the work within the Corporation here in Washington?

Mr. QUIE. That is correct. All the work could be done only within the Corporation. In the compromise we also continue the right to make grants and contracts, and this makes available funds for the present backup centers if approved by the Corporation, which will look at the present backup centers and make judgment as to which ones are capably performing their duty, and which will eliminate the abuses. By June 30, 1975, the Corporation will come back with a study pointing out to us, in effect, which backup centers are providing what services for the local attorneys and the preferred methods and structures of these services.

Mr. MEEDS. Mr. Speaker, I wish to state to the Members of the House that this is about the fifth or sixth time, I believe, that I have been in the well of this House discussing the purposes of a Legal Services Corporation. This is the third bill we have had considered before the House, and this is the second conference report on that subject. So this is the fifth time I have discussed this with the Members.

Over that period of time, Mr. Speaker, in terms of Legal Services, I feel somewhat like the "Virginia Slims" man who says, "You've come a long way, baby." I cannot say that this is exactly to my liking, in view of that long distance that has been traveled. Ninety-six of my colleagues and I, representing both bodies, introduced in 1971 a Legal Services proposal, and I cannot say that what we are here today considering is exactly that different.

However, at the same time the administration proposed Legal Services legislation, and the legislation we are considering today is not identical to that either. Indeed, a close analysis will show that the proposal we have before us today is, in at least 21 particulars, more restrictive even than the legislation proposed by the administration in 1971.

But I think I have been here long enough, and I am practical enough to know that "politics is the art of the possible."

Let me tell my friends, particularly on this side of the aisle, this: Given the present circumstances and conditions, I cannot say that we are going to be able to pass the original Legal Services bill which so many of us introduced and fought so hard for. Indeed, I think it is necessary to make some compromises if we are to retain this very, very fine program. This is a program which has made justice a reality to many people who never would have enjoyed that reality otherwise.

Mr. Speaker, the important thing about this legislation and about this conference report is that it creates a relatively independent Legal Services Corporation. It is insulated mostly from political pressure without being isolated from the needs of the people and from the Congress. It assures us that Legal Services will continue to be available to those who are less fortunate. They are less fortunate, yet they also should have the right of access to the courts of this country.

This legislation makes justice a reality to those who, before the era of Legal Services, did not have the means of exercising and having the benefit of that reality.

Mr. Speaker, there have been a number of "Dear Colleague" letters written, and we have heard a number of statements made, and perhaps many of them have been authored by certain people who are not well known. But in any event, the main thrust of these arguments is that the House conferees, in effect, compromised away the House position in the long and somewhat difficult conference held with the Members of the other body.

Let me say as emphatically as I know how that this is incorrect. I deny that this has happened. Indeed, I think I can demonstrate how incorrect it is.

We have done an analysis of the 24 amendments which were adopted on the floor of this House. Of those 24 amendments, our analysis shows that the House position was sustained almost totally intact, certainly as far as the major thrust of the House position is concerned, in 13 of those 24 amendments. The Senate position was sustained almost totally intact in 5 out of those 24 amendments. The position leaning toward the House version was sustained in 3 of those 24 amendments, and the position leaning toward the Senate was sustained in 3 of those instances.

So that the overwhelming majority of these 24 amendments which were adopted on the floor of this House were sustained in the conference, and we bring them back to the Members today either totally intact or relatively intact, the overwhelming majority of them, as I say.

I was interested in the "Dear Colleague" letter of my colleague and valued friend, the gentleman from Ohio (Mr. ASHBROOK), who was a member of the conference committee. I just want to quote from his letter where he says:

> I have served on a number of conferences and have watched the House position repeatedly bargained away. In this conference I would have to say the House conferees did a very good job of upholding our position, and held the final version much closer to our original bill than the more radical Senate version. At that, the bill certainly was not improved, and anyone opposing the concept of legal services or the bill as passed by the House last year should find no comfort in the conference report.

I have to say that I agree with my colleague, the gentleman from Ohio (Mr. ASHBROOK). I think the gentleman is absolutely right. If you oppose the concept of a legal services corporation or, indeed, legal services——

The SPEAKER. The time of the gentleman has expired.

Mr. PERKINS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, I repeat, if one is opposed to the concept of legal services, or if one opposes the concept of a legal services corporation or, indeed, if one opposes what was passed on the floor of this House some time ago, then I suggest that the gentleman from Ohio (Mr. ASHBROOK) is correct, and that they will probably be voting against it.

On the other hand, if you have been told that you should vote against it because it bargained away the position of the House, that is not a valid ground to vote against this bill because this bill does sustain the position of the House far more than it does the position of the Senate.

So, let us be honest with ourselves. If you do not like legal services, if you do not like the concept, then vote against it, but do not vote against it because it is said that the House was overwhelmed by the Senate.

This, in the final analysis, my colleagues, is a compromise, but a compromise which is shaded toward the version of the House, a compromise which provides for the continuation of Legal Services to those who but for its provisions will look upon the courts of this land as an instrument of the judges and not justice, and who will have denied to them access to the courts, a denial which is tantamount, it seems to me, to full access to our system.

Mr. Speaker I would further like to point out that the bill that we now have before us is a bill that I believe all of us can support. Although the bill does not precisely incorporate my views, nor possibly the precise views of anyone else, its strength is that it represents a very well-conceived compromise that can and should obtain the support of us all. In the finest traditions of the legal profession, this bill takes an important step so that equal justice for the American population can be converted from a lofty goal to a practical reality.

In describing the legislation that we

now have before us, it seems most appropriate to use the term "balance." What we have done is to achieve a balance between the need for quality representation and the need to prevent any potential program abuses. In so doing, we tried to make sure that poor people will remain confident that they are properly and adequately represented in the legal arena, and we tried to make sure that the people throughout our land will retain confidence in this program so that it remains popular in the vital political arena.

The provisions that we now have in this bill achieves the balance that we sought. Since this bill, therefore, is the subject of numerous compromises and delicate balances, it is our hope that the Corporation will painstakingly adhere to the bill's provisions. For us who have labored on this bill for so long, this requires two things, first, that the Corporation enforce the program restrictions that we have established in this legislation and, second, that the Corporation makes sure that no further program restrictions are established unless they are approved through the normal legislative process and signed by the President.

The balances that were drawn by this bill can best be exemplified by our provision on legislative and administrative advocacy. Under the conference bill, we have prohibited legislative and administrative advocacy except when such action is performed in behalf of an individual or group client, or when such representation is made pursuant to a request by a legislative official, agency staff person, executive officer or employee, and the like. A further explanation of these exceptions is helpful.

The bill we are now considering requires that recipients, when filling staff attorney positions, solicit the recommendations of the organized bar in the community served. Although recipients should solicit such recommendations, it is obvious that all decisions concerning the hiring of staff positions rest exclusively with recipients' staff directors and boards of directors. In making these decisions, staff directors should "give preference to filling such positions to qualified persons who reside in the community to be served." In this regard, it must be noted that preferences to local residents for staff attorney slots occur only if such persons are "qualified," and the staff directors and boards of recipients retain complete authority in establishing the criteria to determine necessary competence. Such factors as intelligence, experience, commitment, similar ethnic background to the clients that will be served, and other factors may be considered in determining competence.

The conference bill also provides that fees and costs can be collected against the Corporation by defendants sued by a recipient if a final order is entered in favor of the defendant and an express finding has been made that the sole purpose of the suit was to harass the defendant or a recipient's plaintiff maliciously abused legal process.

Nothing in the fees and costs provision of this bill is intended to abrogate other laws or judicial rulings. Therefore, fees and costs may not be taxed against the Corporation if such an award contravenes any laws, any rule of court, or any statute of general applicability. Similarly, by specifically limiting the instances when defendants can collect fees and costs against the Corporation, it is not intended in any way to limit the instances when recipients can collect fees and costs from defendants who have lost their cases to recipients' clients. Quite the opposite. Nothing in this bill is intended to restrict courts' discretionary powers to award fees and costs to winning recipients, particularly where such costs and fees are collectable pursuant to "private attorneys general" and other legal theories. Finally, in this regard, no collection of fees and costs by a defendant against the Corporation may be collected until all appeals have been exhausted.

The conference bill continues the operation of the present research groups known as the backup centers. These groups provide advice and research aid to recipients throughout the country and they serve important counsel and cocounsel functions in cases of difficulty and importance to the poor. Their expertise is greatly needed in order to provide high-quality representation to the poor and, consequently, it is our expectation that they will remain in existence. Since there has been some controversy about their operations, and since the Corporation is not permitted to provide any legal assistance, we have asked the Corporation to study the efficiency of these centers and we have supported their continued existence.

By July 1, 1975, we expect to receive a report from the Corporation about the "efficiency and economy" of continuing the backup centers through grants or contracts as opposed to starting a new backup system run directly by the Corporation. If no legislative action is taken through a concurrent resolution during the period of July 1, 1975, to January 1, 1976, the authority to provide grants and contracts to these centers will automatically continue to January 1, 1977. In order to make an award of a grant or contract after January 1, 1977, new authorizing legislation will be required, but the granting of such contracts and grants will be permitted through to that date so that backup centers may remain in existence throughout the authorization period of the Corporation.

Other provisions of considerable importance to the program also should be called to the attention of the House. Under the bill, staff directors of recipients will be responsible for approving class actions, class action appeals, and amicus curiae class proceedings. The purpose of this provision is to assure that each recipient operates as efficiently and economically as possible. If, as I presume, class action proceedings are more economical and effective, it is expected that the filing and handling of such proceedings will be approved by staff directors.

A parallel provision governs the filing of appeals by recipients. Under our bill, guidelines will be established by recipients for the taking of appeals in order to avoid the filing of frivolous appeals. These guidelines shall not in any way interfere with attorneys' responsibilities to the attorney-client relationship. Similarly, no attorney will be inhibited from filing claims for a client insofar as the only prohibition in this respect is designed to stop persistent incitement of litigation that is clearly violative of the Canons of Ethics and the Code of Professional Responsibility.

The clients that will be served under this bill are persons who fulfill the eligibility criteria established by the Corporation, after proper consultation with the Director of the Office of Management and Budget and the Governors of the several States. It is expected that everyone under the poverty level, at a very minimum, will have access to legal representation under this bill, and it is necessary that adjustments on the standards be made to reflect varying economic conditions. In order to build confidence in the attorney-client relationship, it is expected that eligibility will be determined through a simplified self-declaratory form pursuant to which the potential client's word will be accepted. In addition, any refusal to accept a client should be subject to a hearing, such as if a client was rejected due to his alleged refusal to accept a job, thereby guaranteeing a client his due process rights.

No recipient or personnel thereof will be permitted to use Corporation resources to organize and establish coalitions, confederations, alliances, or any other such groups. However, a group made up primarily of eligible individuals—such as buying clubs, day-care groups and cooperatives—may be fully represented by recipients and their personnel.

The bill that we are now considering prohibits the provision of legal services to unemancipated minors, less than 18 years of age, except if—

First, written request is made by the minor's parents or guardians; or Second, a court of competent jurisdiction has made a request that such assistance be provided; or Third, in child abuse cases, custody proceedings, PINS proceedings, or cases involving the initiation, continuation, or condition of institutionalization; or Fourth, "where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent."

With regard to the fourth exception enumerated in our bill, the "benefits" and "services" that are to be protected include all rights that minors may have through statutory, regulatory, constitutional and decisional authority. First, the "parents and guardians" set forth in that exception refers exclusively to individuals, not to institutional or State entities serving in some substitute guardianship capacity. Second, the prohibition against suits versus "parents or guardians" relates exclusively to ones which, ab initio, are brought against parents or guardians; this, obviously, merely follows common sense since attorneys are expected to continue legal advocacy roles once they have properly begun to represent a

client. Third, and finally, the prohibition against litigation against parents and guardians only prevents legal representation where the parents and guardians are actually defendants, not where they are possibly against the litigation but are not formally named as defendants.

This bill, as I have just explained, then, clearly strikes an important balance. It will serve the poor and it will not abuse the public. I, therefore, highly recommend that we pass this bill.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentlewoman from New York.

Ms. ABZUG. I thank the gentleman from Washington for yielding.

I stand by the fundamental principle that all laws should be administered equally to all the people, and that the courts of our land should be open on an equal basis to all of our citizens.

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

Mr. PERKINS. I yield 1 additional minute to the gentleman from Washington.

Ms. ABZUG. Historically, justice in America has been visualized as a set of balanced scales. Unfortunately, more often than not, those Americans with money have been able to tip the scales in their favor, and traditionally it has been the poorest Americans who have been shortweighted.

Acknowledging the realities of poverty and the inaccessibility of the poor to justice or law, the legal services program was created in 1965 under the Office of Economic Opportunity. Since the establishment of the Legal Services program, it has been possible for a large segment of our population to participate actively and constructively in the judicial system.

The bill before us would continue this program for another 3 years, but with significant changes. By severely limiting the types of proceedings covered by the bill, we are depriving the poor of legal representation in those very cases which are most important to them.

One example of this—and one which I find most disturbing is that section which prohibits Legal Service attorneys from assisting women in securing their legal rights regarding abortion. No matter what your individual feeling may be on the subject of abortion it is unconscionable to deny women this constitutional right.

The significance of these limitations is the discriminatory effect they will have in depriving the poor of legal services in certain specified areas. This is a bill to provide legal services for the poor. As I mentioned above, the program was originally initiated to overcome the discrimination which previously existed in our legal system between the rich and the poor. By setting restrictions in this bill which do not apply to the availability of legal services for others, we are simply continuing the discrimination we originally attempted to overcome.

Though as you can see there are many parts of the conference committee report that I disagree with there are a number of sections I believe to be an improvement over the original House language.

I believe that the conference committee language on research, training, technical assistance, and clearinghouse activity is preferable to the House language. The work of the so-called back up centers has, in my view, proved extremely valuable and I hope that both the Corporation and the Congress will so find when this matter comes back to us.

I am also pleased that the House agreed with the Senate on the need to specify that in areas where the predominant language is other than English that the "Corporation shall, to the extent feasible, provide that their principal language be used in the provision of legal assistance."

Another provision of the conference report that I think is an improvement over the House version of the bill was the inclusion of the Senate provision on interim funding. There have been many instances in the past where a Legal Services group would not know from day to day whether they would have to close up shop because of delays in funding. This provision will be invaluable in improving the administration of the Legal Services program.

I also note that the section on eligibility clearly defines those criteria which must be considered. Family size and local cost of living, assets and income, fixed debts, and medical expenses all must combine to produce a financial inability to afford legal assistance. It seems that we are very careful about client eligibility for Government legal assistance until it comes to the head of the Government. Mr. Nixon is certainly getting some of the finest legal talent that money can buy. And it is the taxpayers money that is buying it. We prohibit any Legal Service attorney from assisting those who can afford their own counsel but we are currently making a glaring exception.

It is only the overriding importance of continuing the fine work of the dedicated Legal Service attorneys that I support this bill.

As you can see, I do have serious concerns with many of the provisions of the conference report. It is my firm hope that we will have an opportunity very soon to amend and improve this bill, because, Mr. Speaker, it certainly needs improvement. But my overriding concern is with seeing that this most worthwhile program of providing legal services for the poor is continued. For this reason, I will support the bill.

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

Mr. PERKINS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Washington (Mr. MEEDS).

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. I yield to the gentlewoman from New York.

Ms. ABZUG. I should like to ask this question. Is it not somewhat contradictory to say that we are providing legal services to the poor, except that the poor are not entitled to have legal services in those very areas which are most vital to them, so that the poor are being discriminated against? Is that really not unconstitutional in that we are denying equal protection of the laws? I want to make clear what I am saying.

Mr. MEEDS. I understand what the gentlewoman is saying.

Ms. ABZUG. There is a law which says women have rights to abortions. A person deprived of his right to equal educational opportunity also has the right to challenge such deprivation in the courts. The poor as well as the rich have rights to go to court—and be represented by counsel—in cases involving military service. The gentleman has taken out many of the problems that poor people have, and he is saying, "Yes, you can have certain legal services, but not to secure rights in controversial areas," even though it is the law of the land.

Mr. MEEDS. The gentlewoman knows full well it is not a deprivation of constitutional rights for the Federal Government to put conditions on the expenditure of its funds. I told the gentlewoman of a number of instances where there are prohibitions on the expenditure of these funds. But the important thing is that we are preserving an instrument of good which, if allowed to continue, will do so much more good than all of those things; and that the good far outweighs the bad. I understand the gentlewoman's problem. I do not particularly agree with it, but I think this is the best arrangement we can make.

Ms. ABZUG. I appreciate the gentleman's comments. He would not suggest that, through our appropriation power, we can deprive citizens in this country of their constitutional rights?

Mr. MEEDS. Of course, as I pointed out, we can put conditions on the expenditure of Federal funds. It is not a deprivation of constitutional rights.

Ms. ABZUG. I disagree with the gentleman there.

The SPEAKER. The time of the gentleman has expired.

Mr. QUIE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. MATHIAS of California. Mr. Speaker, will the gentleman yield?

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

Mr. MATHIAS of California. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a telegram sent to the President by the Governor of California, the Honorable Ronald Reagan.

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

There was no objection.

The telegram is as follows:

[Telegram]

MY DEAR MR. PRESIDENT: I know you are pledged to veto any legal services bill that goes beyond the original House proposal. I strongly believe the bill now out of conference and about to be voted on should be vetoed. This bill would perpetuate and extend drastic changes in the manner by which legal services have traditionally been provided in this country, providing Federal aid to selected special interest groups which favor such things as unrestricted abortion, forced busing and increased welfare demands.

America is not well served by authorizing Government-paid lawyers to insert themselves between parents and children, school administrators and students, and prison officials and inmates. Providing hard-earned and scarce tax dollars to lawyers so that, despite

safeguards, they can lobby the Congress and State legislatures basically without limitation and with the prestigious indicia of your formal approval is impossible to understand; that goes against all current attempts at political reform. Signing this bill will mean that States will be subject to virtually unlimited harassment by tax-subsidized groups allied with or controlled by groups such as the ACLU, the National Lawyers Guild and the National Welfare Rights Organization.

This corporation, despite being subject to review of authorizations and appropriations, would nonetheless be established as a permanent object for subsidy by the American people, yet essentially unaccountable to them. I would hope that the House would refuse passage of H.R. 7824; if the bill gets to your desk, I would hope that you will veto it. I and many others are prepared to pledge our support for a realistic plan which has the necessary safeguards written into it. The current legal services authority does not expire until June 30, 1975, which leaves plenty of time for the development of an acceptable alternative.

Sincerely,

RONALD REAGAN.

Mr. ASHBROOK. Mr. Speaker, I certainly concur with what my colleague, the gentleman from Washington, has just said. This is the third bill we have had regarding Legal Services. It is true we have moved in the direction of placing what I think are commonsense restrictions upon a Legal Services Corporation, restrictions which have been made necessary because of actions, some overly enthusiastic and some political, on the part of Legal Services attorneys.

As the gentleman from Washington (Mr. MEEDS) and the previous speakers have stated, there was a difference of opinion on this particular conference. There were those like Mr. MEEDS, who in honesty and good faith wanted a much stronger corporation. Even at that, he was, I think, a very fair conferee. He did speak for the House position. There were those who wanted less. I happen to have been one philosophically opposed to the bill. I had a minority report on the original bill. I was vitally opposed to the concept of a Legal Services Corporation. I think I was a good-faith conferee working to uphold the House position.

There is one thing we should remind ourselves of. Many of my friends who wanted more than they got made compromises, but we do end up with the Legal Services Corporation. Many who are against the concept made compromises, but they, in effect, lost, because we do end up with the Legal Services Corporation.

I would agree with what Mr. QUIE said. I believe the House position was generally upheld. In my experience as a conferee, this is one of the few times that we can come back and say the House position has been generally upheld in a conference with the Senate.

And yet I think what the gentleman from Minnesota (Mr. QUIE) said bears from [illegible] some further elucidation. In the area of backup centers we probably made our major concessions. If I were to assess percentages I would say the House position was probably 80 to 90 percent upheld in most instances and I think this is a good record on most conferences. Yet on the backup centers I think our position at best was 20 to 25 percent upheld. In dealing with the Senate that has a far more expansive bill we could say this was a good compromise and yet in the vital area of backup centers where the House did express its position very strongly on two amendments the House position was not upheld.

I intend at the proper time to offer a motion to recommit to give the Members who believe the backup centers should be removed from the bill an opportunity to vote. I will not take further time on this matter now because I understand under the rules we will get 5 minutes at that particular time.

I would say what the gentleman from Washington (Mr. MEEDS) said was proper. We did go to conference with a bill that was less than what many of us on this side wanted. No one has stood on the floor and said that the bill was improved. If one opposed the House position at that time, and there were 95 Members who did, there would be no particular reason for one to support what was done because in many areas the bill was changed from what went from the House into the conference.

While I commend the conference, my personal philosophy has not changed as far as this type of corporation goes and I will offer the amendment because I believe the Members should have and do want to have an opportunity to vote on the backup centers provision.

In closing I would compliment the Members, but I would remind those who are opposed to this bill, who are opposed to the concept, that we have not improved the bill. At best we have done a good job in upholding the House position.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes to the distinguished gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Speaker, as a member of the conference committee on H.R. 7824 I take this time to assure the House that this bill has certainly received adequate consideration not only by this body but also by the conferees who worked very long and very hard to bring this bill to this House at this time. I also take this time to commend the leaders of our conference, the chairman of the full committee as well as the Republican ranking member, the gentleman from Minnesota (Mr. QUIE) for their persistence and their determination to report this measure.

I happen to be one of the Members of this House who really was not initially for a Corporation bill because it seemed to be we would be exactly in this kind of position, having to come before this body to ask for certain kinds of prohibitions and limitations on what I consider to be a program which should be determined largely by the demands of attorney and client, but given all the difficulties which the Legal Services program has witnessed and given the difficulties of a straight extension of this program which I would have preferred, it seems to me [illegible]logical approach was to support the only [illegible] and to try to give a corporation concept and [illegible] and this program the kind of stability and support which I believe it deserves.

If anything has been learned by this whole episode which we are now struck by which we call Watergate, it is the notion that the people in this country are very deeply concerned that even our legal system and our concepts of justice are not equal and that there are really two kinds of legal systems which are available in this country, one for the rich and one for the poor. This is an intolerable kind of attitude to persist in our country and unless this Congress acts today on this legal corporation bill and puts into Federal law the notion that we are prepared to guarantee to the poor of our country the equality of protection under the judicial system, then the whole meaning of democracy, the whole meaning of liberty and freedom has not reality for the poor people because they find it consistently impossible to get representation before the courts.

This is really what the Legal Services Corporation is asking.

Mr. ROUSSELOT. Mr. Speaker, will the gentlewoman yield?

Mrs. MINK. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentlewoman for yielding. It seems to me that the gentlewoman's statement is somewhat in conflict with that of the gentlewoman from New York. This bill really does not help the poor in any important area. As a matter of fact, it diverts away from the poor the ability to help the poor. How does the gentlewoman justify that point?

Mrs. MINK. Yes; I would grant we had to bar Legal Service attorneys from litigating abortion cases even though a poor person feels they ought to have the right to be represented; the denial of protection in regard to litigation in amnesty and selective service cases; the denial of the right of a teenager to bring his claim before the Legal Services Corporation without his parents' consent; barring the right of a Legal Services lawyer to go before a legislative body in a case that has been brought to his attention is a severe limitation. But when we take an overview of this legislation, it seems to me the areas we have prohibited and banned are minor by comparison when we look at the poor and the needs of the poor. What this bill says to the poor is that we are giving them an opportunity to be represented in civil matters, regarding their rent, regarding the services that they are receiving from their Government, regarding programs under social security and medicaid and all these other kinds of activities; collection cases where they are being dunned completely illegally by collection agencies that have no right to bring a claim against these poor individuals; these are the kind of bread-and-butter issues, bread-and-butter problems that the poor have in their day-to-day life in which they deserve to be represented adequately in court. This bill is going to give them that opportunity.

It seems to me the kinds of things that we have stricken because they happen to be controversial to us today, abortion and so forth, are of minor consequence compared to the basic fundamental le[illegible]hts that the poor are going to gal rights [illegible] find permanence finally find fruition and [illegible] through the establishment of this Legal Corporation.

So although I am distressed by the prohibitions, and I join the gentlewoman from New York in expressing them, as a conferee I felt I had to rise above my personal objections and look at the broad responsibility that the Congress has to finally make legal services to the poor a matter of Federal law.

I hope the Members of the House will support this legislation.

Mr. QUIE. Mr. Speaker, I yield 1 minute to the gentleman from California for a special announcement.

ANNOUNCEMENT OF MARRIAGE OF CONGRESSMAN BOB WILSON AND SHIRLEY SARRETT

Mr. GUBSER. Mr. Speaker, it is my pleasure to announce that shortly after noon today the Chaplain of the House, Dr. Latch, united in marriage Shirley Sarrett and our colleague, the gentleman from California (Mr. BOB WILSON). I am sure that the best wishes of every Member of this House go with them.

Mr. QUIE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I do not know that I can really follow that act every well, and I would not try.

Mr. Speaker, I rise in opposition to the conference report on the Legal Services Corporation Act of 1974 for the following reasons:

First. The bill would create a Corporation which will spend in the neighborhood of $100 million of Federal funds annually, but which will be free of any accountability whatsoever to either the Congress or the taxpayers.

Second. The bill would create a presumptive right, in perpetuity, on the part of any recipient of financial assistance under the program, to continue to receive funds in the absence of notice and of a "timely, full, and fair hearing."

Third. The bill would continue in effect the historic union contract signed by OEO Director Arnett, which delivered into the hands of the union effective control over virtually all management functions affecting these employees, who are, and will continue to be, paid from public funds.

Mr. Speaker, a common thread runs throughout the conference report on the Legal Services Corporation Act of 1974, which substantially embodies the Senate version of the bill beneath the cloak of H.R. 7824—the creation of a so-called independent Legal Services Corporation which will be financed by nearly $100 million in Federal funds per year but which will be unaccountable for its activities to anyone but itself.

The unaccountability of the new Corporation is loudly and defiantly proclaimed both at the beginning and near the end of the conference bill. The veritable "antiaccountability manifesto" which Corporation advocates would have Congress adopt as a "statement of findings and declaration of purpose" asserts that—

(5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures.

This language indicates that the bill means to keep the Corporation free of any oversight, accountability, or responsibility to either elected officials or taxpayers. However, the Corporation itself will be virtually subservient to the scores of very political Federal bureaucrats who have lobbied for its creation as a means to promote their own political agenda. Meanwhile, the poor, for whose benefit the program was supposedly established, will be literally exploited as a result of this legislation because it provides for the perpetuation of the "staff attorney" system, which imposes a legal services monopoly upon the poor. The result is that control over the nature and quality of legal services rests with the providers of the services—the staff attorneys and the Corporation—rather than with the poor client or with the taxpayer.

The anticlient, antitaxpayer effect of the Corporation bill is reinforced by the final finding and purpose:

(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

Make no mistake about it, this is an antiaccountability provision designed to enable Corporation attorneys and bureaucrats to use the code, canons, and standards of the legal profession as both a sword and a shield against clients and taxpayer alike.

The sword effect occurs when legal services attorneys engage in such illegal and extralegal activities as strikes, picketing, boycotts, lobbying, and political action in the name of zealous representation of the poor. The shield of "professional responsibility" is then interposed to prevent any meaningful inquiry into the conduct of staff attorneys from being made by public officials, clients, or taxpayers.

It should be noted that the existence of the abuses referred to above is not a matter of speculation or conjecture, but a matter of fact established by nearly a decade of experience under the OEO legal services program. The existence and persistence of outrageous practices are not denied by proponents of the Corporation. It was, in fact, the publication of scores of horror stories which defied bureaucratic coverup efforts and the demands for reform by responsible public officials which led to the present bill.

Instead of devoting themselves to an effective effort to reform the program, legal services supporters boldly decided to create an "independent Corporation" so that their actions could be insulated from public scrutiny. Major abuses and excesses for which the program has become notorious have not been ignored by the authors of the Corporation bill. Rather, the bill deals explicitly with outrageous practices by "prohibiting" them through provisions so thoroughly laden with exceptions that they offer open invitations to mischief.

For example, section 1007(a)(5), of the proposed Legal Services Corporation Act would require the Corporation, with respect to its grants and contracts, to:

insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, *except where*—(italics mine)

The exception would essentially permit lobbying activities to be conducted where—

(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities . . . or

(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

These exceptions are so broad that I cannot imagine how any Legal Services attorney would be effectively restrained from lobbying in any situation where he really wants to do it. Any attempt to question his actions on the basis that they were not "necessary" to client representation would probably be rejected as an unwarranted interference either with the attorney-client privilege or with the discharge of professional responsibilities. Requests by governmental agencies and legislative bodies are so freely obtainable that legal services attorney will be able to continue to lobby almost at will.

Similar loopholes apply to section 1007(a)(6), a provision which appears at first glance to restrict political and voter assistance activities. However, the prohibition against using grant or contract funds for these purposes would apply only where attorneys are actually "engaged" in providing Corporation-funded legal assistance, and there would be no restriction at all on provision of voter assistance, including transportation to the polls and voter registration activity as long as these activities are denominated "legal advice and representation."

As a matter of fact, this conference report has practically demolished the safeguards which the House attempted to build into the bill to prevent a wide assortment of abuses for which the legal services program has become notorious. These include participation in blatantly political activities and organization and support of pressure groups promoting "welfare rights," abortion, busing, and numerous other causes which are inimical to the interests of taxpaying citizens.

Additional insulation against accountability has been provided by the inclusion of requirements for elaborate notice and hearing procedures before recipients, or employees of recipients, can be disconnected from the Federal pipeline. Section 1011 of the new act would even require such procedures before an application for refunding could be denied. In other words, once a project has been funded, the recipient has a perpetual claim on Federal funds unless the Corporation takes the initiative, and endures the prescribed administrative ordeal, necessary to stop the hemorrhage of funds.

It is my firm belief that the purpose and effect of this bill is to establish an independent, unaccountable political operation to promote the public policy agenda of the bureaucrats, lawyers, and militant pressure groups which have lob-

bied for its enactment, at the expense of every citizen who pays taxes or who does not support the political objectives of the movement lawyers who control the program.

Members of Congress have expended a great deal of energy in recent months calling for a reassertion of congressional authority in order to restore accountability and confidence in Government. Yet, in the midst of all of this clamor, the Congress itself is on the verge of establishing a special unit, funded by the Federal Government but allowed to operate outside regular Government channels, to conduct political activities in the name of the poor.

This would be a terribly ironic development, if it should occur, and I believe we must consider the effect it would have on our credibility with the American people before we turn another squad of parapolitical operatives loose to prey on the American people.

I strongly urge every Member who is truly concerned about the welfare of clients and taxpayers who will continue to be victimized by the Legal Services program to vote against this bill. If you have any remaining doubts that this bill is inconsistent with nearly all recognized principles of responsible government, I suggest that you read carefully the full text of the national agreement between OEO and its union, the American Federation of Government Employees—AFL-CIO—representing the National Council of OEO Locals.

This labor contract, in my judgment, makes it nearly impossible for the Administrators of OEO, or of the new Corporation, to manage the Legal Services program and to correct its excesses and abuses, even if management has the will to do so. Under section 4(c) of the conference bill, this agreement will be carried over from OEO to the Corporation and will remain in effect until it either expires or is "mutually modified by the parties." In effect, therefore, this labor contract is part of the Corporation bill, and I caution my colleagues that they should not vote for this legislation until they have read the contract, as well as the bill. Frankly, I do not see how anyone who has read this contract could possibly support this legislation.

Mr. QUIE. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Speaker, I thank the gentleman from Minnesota for yielding to me.

Mr. Speaker, I did file minority views on this bill when it was passed by the House Committee. My mind has not changed a bit on the views. I am going to cast my vote today in favor of the legitimate members of the Bar Associations across the country by voting no on this conference report. I firmly believe that the citizens of our country, no matter how poor they are—and certainly I have been as poor as anybody has ever been in this country—I think anyone having a just cause for legal action, can obtain the assistance from a local legal action society or from the proper attorneys in the local or State channels.

Mr. Speaker, I am sure that legitimate attorneys will take all cases that have a real basis for cause from people, regardless of how poor they are.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. YOUNG).

Mr. YOUNG of Illinois. Mr. Speaker, as a member of the bar of Illinois and also as a former member of the board of governors of the Illinois State Bar Association, I have been concerned about the problems of trying to provide adequate legal services to the unfortunate people of the State of Illinois who lack funds to hire lawyers. I know that there are many bar programs throughout the United States which seek to provide legal service to the poor, but I do not think that the need is adequately being met.

Ordinarily, I am skeptical of the formation of any new Federal bureaucracy, but I do think that this proposed legal services corporation meets the criteria that I think are necessary for me to vote for this bill.

One, I think it meets a need. Two, I think it is an area in which the Federal Government can be of appropriate assistance, and I think this bill properly shows a commitment of the Congress on behalf of the people of the United States to help the poor obtain legal services.

Mr. Speaker, I would like to conclude by saying that I also share some of the concerns that were expressed by this House in trying to put limitations on the activities of this corporation and its agents. I would like to have seen the House restrictions kept intact, and I recognize that any type of program of this type can be abused; I do not think this bill is as bad as its critics say nor do I think it is as good as its proponents say, but I think it is a bill worthy of our support.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I am going to address myself to just two points on this bill.

One, we are being told that there are very strict limitations on the activities of this corporation and its agents or paid employees. It is true that there are restrictions in this bill on the corporation itself and its paid employees and its paid attorneys, but there is absolutely no restriction on the activities of those who comprise the backup centers.

Mr. Speaker, that is the one big loophole in this bill that the House conferees managed to allow to escape in their confrontation with the Senate.

The backup centers are selected by the corporation. No local governing bodies, no bar association, no one responsive to the body politic has any voice in selecting the directors or the employees of the backup centers. It is the backup centers that will be free to accept funds from this corporation to use for just about any purpose they want, and we are not restricting the activities of any of the employees of the backup centers themselves.

Mr. Speaker, to me, this is a rather fatal flaw in this conference report, and that alone justifies a vote against the conference report.

Let me make one other observation: One of the things that the people of this country, in my opinion, are trying to tell the Congress today is that they have a lot more government than they want. The budget shows us that we have a lot more government than we can afford. It is this kind of activity that is constantly fomenting strife and contention throughout our society. This organization is typical of the sources of agitation that are attacking every existing American institution, whether it be economic, financial, or political.

Mr. Speaker, I think the country wants to be let alone for a while. I think it wants to just slow down for a while. We should not institutionalize one of the Government's operations that is creating disgust with government among our citizens with the Federal Government's intrusions into our private and our business lives. I would suggest that the Members vote against this conference report.

Mr. Speaker, there is nothing comparable to the House provision which would have prevented the corporation from continuing in perpetuity, beyond 1978, without new legislation. This would have been in addition to authorization and appropriation, just as extension of the Economic Opportunity Act is in addition to authorizations and appropriations for OEO.

BACKUP CENTERS

The two Green amendments wiping out backup center activities were less concerned with research than with such activities as organizing welfare rights chapters, serving as a civil liberties union for May Day demonstrators, publishing radical propaganda, drafting "model" legislation, developing strategy for test cases on key issues—like abortion—sponsoring travel for conferences, and so forth. Under the conference report, all these activities, except research, would continue in perpetuity. Research activities would be up for periodic "review."

CONGRESSIONAL ACCOUNTABILITY VERSUS ABA CONTROL

It is a fact that if by law, Congress renders staff attorneys accountable to the ABA with respect to expectations of attorney behavior and activity, as elimination of the House amendment would do, then with respect to all such areas where the statute is silent, the ABA, rather than the corporation board of directors would call the tune for attorneys. Given the liberalization of the ABA and increasing staff influence within it, this is a dangerous retreat from the principle that federally-funded personnel should be accountable to the public, rather than to a private organization like the ABA.

MULTIYEAR APPROPRIATIONS

It is a fact that multiyear appropriations are provided for the corporation. This further reduces accountability to the public.

PICKETING, BOYCOTT, STRIKE

"Except as permitted by law in connection with such employee's own employment situation." The employee cannot do it except when it is illegal. It is not illegal. But it is wrong to require the taxpayer to foot the bill.

STATE BALLOT ISSUE CAMPAIGNING

As long as groups are eligible clients, the conference report exception permit-

ting activity on behalf of eligible clients negates the prohibition.

REIMBURSEMENT OF COSTS TO PRIVATE PARTIES WHICH PREVAIL IN LITIGATION INSTIGATED AGAINST THEM BY LEGAL SERVICES ATTORNEYS

Negated by the conference report requirement that malicious abuse as harassment be proven, before costs can be recovered. Why should government pay costs of those who sue, while requiring those proven innocent or faultless to bear the burden of their legal costs?

OUTSIDE PRACTICE OF LAW

If an attorney can say: "I did it on my own time, without compensation" and be excused for violations which would be punishable while "on duty," then other prohibitions are effectively negated.

LOBBYING

It remains true that "representation by an attorney as an attorney for any eligible client" permits legal services attorneys to represent so-called poverty rights groups with legislative axes to grind on every issue from gun control to abortion. Legal services groups have registered lobbyists in state capitols throughout the country. This could continue under the bill as reported out of conference.

PUBLIC INTEREST LAW FIRMS

The Quie commentary admits that the conference report makes it easier to fund public interest law firms. Is it right to give public funds to private groups which seek to legislate by litigation?

JUVENILE REPRESENTATION

As worded, the conference report would permit the representation of children without parental request when it can be alleged that such representation is necessary to prevent the loss of services. Would such services include abortions to which parents might object, but which go forward on the sayso of the attorney and the teenage girl?

QUOTA SUITS

Twenty-two legal services attorneys joined in aiding the Alameda County Legal Services project's pro quota brief in the DeFunis case. Other legal services funded projects involved in the suit were the Harvard Center for Law and Education and the Council on Legal Educational Opportunity. The Mizell amendment on higher education "desegregation" was deleted, even though his amendment on elementary and secondary schools was kept in. Most of the quota controversy in education now centers on colleges and universities. Thus the House provision was important; if it was not important, why did the conference committee delete it?

ANTICOMMINGLING

Legal services programs get money from a variety of sources, many of them "public." These other funds are not subject to restrictions in many cases. As worded, the conference report permits grantees to sidestep regulations by receiving and expending funds from noncorporation sources, or assigning funds to persons not employed by them. If it was not important, why did legal service liberals insist on its modification by the conference?

PRESUMPTION OF CONTINUATION

The fact remains that the statement of purpose, as worded, is intended to afford a legal presumption of continuation to present rules, regulations, procedures, and recipients of the existing program. Such "preamble" language has been used in the past for precisely such purposes. The courts use it to interpret the intent of Congress.

ANYTHING GOES CLAUSE

The purposes of the Corporation are so broadly stated and the restrictions so narrow in scope that virtually any private organization purporting to offer a service or activity of benefit to the poor could be funded under this section, whether for polling of the poor for their views on abortion, Bureau of Social Science Research, or "educating the poor to their oppression, Reginald Heber Smith Fellowship program, or organizing rent strikes, National Tenants Organization, or seceding from the Union, Republic of New Africa.

Mr. QUIE. Mr. Speaker, I yield 7 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, the key question that this House will have to answer this afternoon and for the American people is whether or not we will maintain the commitment to "equal justice under the law" in the same framework as the legal services program has been conducted under the Office of Economic Opportunity since its beginning in 1965.

Mr. Speaker, this bill, as the gentleman from Washington so clearly pointed out, has had a long and tortured history. There can be no question that few subjects have been more hotly debated or more interestingly debated than the question of whether to adopt a Legal Services Corporation.

As one who was a conferee, I think the conference report is a good conference report. I, too, am unhappy with some of the restrictions that were placed in there, but which I think are legitimate issues which do concern both proponents and opponents of the Legal Services Corporation.

Mr. Speaker, on balance, if you look at the Senate bill and the House bill and the conference report, I think it is very clear that the House conferees were diligent, and I pay particular respect to the gentleman from Ohio (Mr. ASHBROOK) and the gentleman from Minnesota (Mr. QUIE) for the effort they expended on the conference report.

Mr. Speaker, I do not like all of the things we placed in here. I think we did, in fact, go further, in my judgment, than the Legal Services Corporation ought to be restricted. But I do not think this House can sit by idly and not understand the importance of, the value of, and our commitment to the concept of legal services for those who cannot afford them.

The gentleman from California said in his remarks that they will sue local governments; the gentleman stated also that they will sue State governments and that they will sue the Federal Government. But are we to sit by here and say that somehow we have here a different class of people, a class of people who, if they are working for a corporation, can sue, or if a corporation is maligned by some agency of Government, they are allowed to sue, but a poor person whose rights and liberties are at stake cannot sue?

Mr. Speaker, I reject that concept. I do not think that is appropriate. That is what this conference report is all about: Complete with restrictions, complete with prohibitions, and complete with inhibitions placed upon those who serve in this program.

Mr. Speaker, there is one other comment that I would just wish to make, and that is that the motion to recommit which is to be offered by the gentleman from Ohio is one that I think we ought to clearly understand.

When the House bill was passed and the gentlewoman from Oregon (Mrs. GREEN), who is here listening patiently and quietly this afternoon, offered her amendment, I think we all knew that what that amendment did was to say this: The House bill as passed authorized research, training, and technical assistance to be carried on by the corporation, but it could not be contracted out.

Now, the issue before the House at that time was whether or not we should allow the corporation to contract for backup center type activity. The issue was not whether there ought to be research, whether there ought to be training, or whether there ought to be technical assistance. All those things were authorized in the House bill.

The motion to recommit does not settle the issue of whether or not that kind of activity is going to be carried on. Clearly, it will be. The question is whether or not we ought to be able to use the resources, the talent, and the personnel of existing law schools in that regard in other areas of the country.

Mr. Speaker, I hope the motion to recommit which will be offered will be rejected.

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

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

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Speaker, I will say, on the issue of suing local governments, which was commented on by the gentleman, that in most cases public defenders, local legal aid societies and others provide more than adequate funding for this purpose. Therefore, putting the Federal Government in this kind of financing, is my great concern.

I believe the poor people who have potential litigation against a city or against a local government unit have more than adequate local legal facilities already available. As a matter of fact, the Justice Department will many times join them in a suit.

Mr. Speaker, to say that we desperately need this $100 million per year in order to do to help the poor, I think, is a distortion of the truth. That is the point I wish to make. The gentlewoman from New York made the point that this legislation will not always help the poor.

Mr. STEIGER of Wisconsin. Mr. Speaker, I respect the gentleman's viewpoint. I obviously do not agree with it.

I believe what this House ought to deal with and what all of our people and we,

as representatives of the people, ought to deal with as the key issue is whether or not we are going to make readily available the kind of access to the law in order to help settle problems. That access, in my judgment, is absolutely essential to make our system work, regardless of whether an individual is rich or poor. That access is not now available in many instances to people except through a legal services program. That is why I think we ought to continue this program.

Mrs. GREEN of Oregon Mr Speaker, will the gentleman yield?

Mr. STEIGER of Wisconsin. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Speaker, the gentleman has made an eloquent plea for equal justice under the law and for legal aid for the person who cannot afford it. I support both; but then the question is: Does legal aid as financed by the Federal Government since 1964 actually provide for equal justice under the law? I contend it fails in both respects. Previously, I cited the case of a person of middle income who was sued by legal aid; he the defendant won—but at what cost? $4,300 in legal fees which he could not afford. The Federal Government reimbursed him not 1 cent. But the Federal Government did pay all the legal fees of the unsuccessful plaintiff. Does that represent equal—equal justice under the law? And which one could really afford the suit and which one could not?

Under the House bill the court could award all court costs and attorney fees to the defendant if he won the case. The conference report says:

> Attorney fees could only be awarded if it were a malicious suit or if harassment was involved?

Whose responsibility does it now become to prove a malicious suit or harassment on the part of legal aid?

Mr. Speaker, it does not seem to me that there is equal justice under the law when the might and the power and the money of the Federal Government are on one side. If a person is in a certain income bracket the Government provides free legal advice—free legal aid in the courts—but if another person is earning his salary and has a couple thousand dollars above the poverty line, he is on his own and has money taken out of his pocket in defending himself in a suit actually financed by the Federal Government—even though he should win—be found not guilty.

I say that is no equal justice at all.

The second point that the gentleman is making is that we are bound to provide legal aid to those who cannot afford it. I suggest that a person who has a $10,000 a year income may have just as difficult a time paying his bills, supporting his family, being forced to hire his own attorney as a person who has a $4,000 a year income, but we are ending up with all of the might, money, and power of the Federal Government on one side. It does not seem to me that it is either equal justice or right in providing free legal aid to some whom, under the law we decide can not afford it, but place other millions of middle-income persons in a position of defending themselves with money they do not have or which they can ill-afford.

Mr. STEIGER of Wisconsin. The point the gentlewoman from Oregon makes is one that obviously we can make in any one of a host of other Government programs that have this kind of an income limit, with a cutoff point.

I recognize full well the point the gentlewoman from Oregon is making, and if I had my druthers there is no question, but that if we could equalize totally the system that I might be for it.

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

Mr. QUIE. I yield 1 additional minute to the gentleman from Wisconsin.

Mrs. GREEN of Oregon. Mr. Speaker, if the gentleman will yield further, I could not really be in greater agreement than the statement that the gentleman from Wisconsin has just made, that we cannot provide justice that is equal when we have an arbitrary cutoff; those below can sue and take no financial risk; those above pay through the nose; that is exactly what is happening today—the middle-income guy has the right to pay the taxes, but he does not have the right to receive any of the benefits of about 1,000 programs that this Congress has passed; there is no equity in this, and there is no justice. At a minimum, if he is the defendant, the Federal Government ought to pay his attorney fees if he wins the case. That would at least provide some justice under the law.

Mr. STEIGER of Wisconsin. I say to the gentlewoman from Oregon that what the gentlewoman says does not justify that we should step backward and deprive equal justice of the law to those who cannot afford it at all, because that, too, is an inequality. The gentlewoman from Oregon having served here for over 20 years knows full well that this same thing has happened in those years under many of the programs we have provided but let us not use that as an excuse that, because we have done it that way, therefore, we ought to go back and take it away from those who can least afford it. I reject that appeal.

Mr. Speaker, this report is the culmination of 3 full years of effort on the part of both political parties in both Houses of Congress.

Moving the legal services program out of OEO and into a nonprofit corporation was one of those rare initiatives that had its beginning in the Congress. It was proposed for the first time by five House Republicans—JOHN N. ERLENBORN, BARBER B. CONABLE, EDWARD G. BIESTER, TOM RAILSBACK, and myself—and by five House Democrats—LLOYD MEEDS, JOHN BRADEMAS, WILLIAM CLAY, WILLIAM D. FORD, and RICHARDSON PREYER—and by Senators WALTER MONDALE and ROBERT TAFT in the Senate, on March 9, 1971.

The legal services program has been one of the shining lights of this administration. Rarely in our history has the term "equal justice under law" been rendered as meaningful to millions of Americans. Literally hundreds of thousands of individuals who before would have gone without legal assistance and would have lost valuable legal rights have been served and now have reason to believe in our adversary system of justice. Many others have had their legal rights protected through relief obtained as the result of meritorious class actions or other law reform efforts on behalf of other clients.

After 3 years of negotiation, we now have legislation before us which should help establish legal services to the poor as a permanent institution.

The conference committee put in many weeks of hard work on this bill in order to reconcile the numerous differences between the House and Senate versions, and to work out a solution that would best serve the interests of low-income people needing legal assistance. While no one can be satisfied with every aspect of a compromise, I strongly believe this bill is an effective resolution of two of the main concerns all on the conference committee shared.

We were determined to provide eligible clients with first-class legal services. This means that the lawyer for the poor client should be able to call upon the full array of skills and remedies appropriately used by any lawyer on behalf of a client. For this reason, the bill stresses that the corporation shall not interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and Code of Professional Responsibility, and provides for continuation of the many support programs which provide technical asssitance, litigate complex cases brought by eligible clients, and otherwise enable the program to make the most effective use of its limited resources.

Many Members of Congress have been concerned about possible abuses that might arise when attorneys—generally young attorneys in light of the salaries paid—are being financed by Government funds to be advocates for those in need. The bill reported out by the managers contains a host of provisions designed to prevent any such abuse. Frankly, these restrictions go further than I would have wished and unfortunately extend into restrictions on the types of cases that might be brought for eligible clients. These restrictions in the bill are not intended to be expanded by the corporation, for they are designed to prevent any possible abuse.

It is unfortunate that so much of the discussion about legal services has concerned restrictions and fear of abuses. It must be somewhat distressing to those who have devoted their professional career to legal services to see so much attention given to a few problems rather than the many successes. This is inevitable, however, in a novel program that affects substantial private and governmental interests in each community. It is a sign of success for such a program that it has made such a mark on the American scene in so few years.

During the years I have been working on this legislation, I have come into contact with many fine lawyers who have dedicated themselves to this program. I hope that they will continue to serve the poor, and that this bill will create a structure that will have the strength

and independence to enable them to do their job properly.

Mr. Speaker, a great many compromises were made in conference, but the end result is a bill that will provide the full range of legal services, except in certain limited areas of great controversy, while preventing abuses of the program by overzealous attorneys.

For example, legitimate safeguards have been developed with respect to advocacy before legislative bodies and administrative agencies. Full and ongoing representation will be provided to all eligible individuals and groups having legal problems which may be resolved by such advocacy. In addition, it is made clear that attorneys are expected to assist agency officials and legislators seeking their aid in analyzing the effect on the poor of regulations and statutes, preparing draft model statutes, preparing draft regulations and rules, and otherwise providing expert assistance on matters related to their work. Attorneys are not however, to press for the specific purpose of pressing the attorney's private views before a legislative or administrative body.

Compromise was also achieved with respect to the national support centers. They will continue to function, but the corporation will undertake a study of their research activities, including basic social and legal research and participation as counsel and co-counsel in various cases, in order to report to Congress by June 30, 1975, on the advisability of continuing these functions in their present form. The authority of the corporation to make grants or enter into contracts for research will be terminated on January 1, 1976, but—if the Congress does not pass a concurrent resolution during the period between July 1, 1975, and January 1, 1976—the authority to continue the backup centers will automatically be extended to January 1, 1977. Grants and contracts can, of course, still be awarded prior to January 1, 1977, in order to permit backup centers to continue their work throughout the statutory authorization preiod of the corporation. The study by the corporation will build upon the evaluations of the backup centers prepared under contract for OEO last year and therefore, should be comprehensive in scope.

There are now three kinds of backup centers. The first type provides national support in various areas of poverty law. These are 12 in number and may be grouped rather naturally into centers responsible for expertise in specific legal subject—welfare, housing, education, and so forth—and those responsible for problems relating to specific categories of the poor—the elderly, migrant workers, juvenile, and so forth.

The second type of center is the State backup center. There are three of these. This category of centers was established to offer general legal support to local projects, coordinating work on issues of concern to several local projects, providing reserve manpower for appellate litigation, or extended research efforts, assisting with work before State legislatures, and representing client groups with statewide interests.

The seven remaining centers are the technical support centers, which provide the nonlegal support services; for example, the national clearinghouse, national training project—which local projects, other backup centers, and the national office have all found necessary if they are to perform their work with efficiency, economy, and dispatch.

In 1973, during the administration of Howard Phillips, OEO's regular evaluation schedule was altered so that all backup centers would be evaluated by the end of June. These evaluations were commissioned by the acting director of evaluation Marshall Boarman—who was actively engaged in preparing a rationale for their phaseout—and conducted by teams of practicing attorneys, judges, and others through OEO's contractor, the American Technical Assistance Corporation.

Each of the evaluations is replete with descriptions of the backup centers' work products and performance that range from "professional excellence" to a simple "superior." Indeed, one evaluator quoted from a U.S. Federal district court opinion in which the judge found that—

> Attorneys for the Center . . . produced the type of work that one normally associates with the largest and most respected firms in the private sector.

Other evaluators commented on the background and motivation of the attorneys employed, speaking of their "great competence," "noticeable professional courtesy," and conduct of the "highest demeanor."

It was said of the Center on Social Welfare Policy and Law:

> They stand ready to litigate but are willing to and often initiate negotiations with the admirable purpose of avoiding litigaton if it is possible to do so while, at the same time serving the best interests of the clients.

Thus, the centers were found to be setting examples of responsible, professional behavior.

Another member of the judiciary, Judge Patrick D. Sullivan, of the Indian Court of Appeals, evaluating the work of the Western States project and the San Francisco Youth Law Center, went beyond the scope of the evaluation per se to support the concept of and need for such centers of specialization, citing their research resources and expertise as a necessary supplement to the neighborhood offices' operations under enormous time constraints and caseload pressures. Judge Sullivan referred to the center's "extremely worthwhile contribution" to the law and describes the center's overall performance as "the bargain of a lifetime."

These recent evaluations clearly indicate that these centers perform a critical function in providing legal services for the poor.

Compromise was achieved in some instances by acceptance of provisions in one bill with minor modification. Thus, the Senate agreed to the House provision directing the corporation to pay costs and attorneys fees to prevailing defendants under certain circumstances, such circumstances being limited to when an action was brought solely to harass a defendant or if a recipient's plaintiff maliciously abused legal process. In such extraordinary instances, the payments of costs and fees will be paid by the corporation and will not be taxed against a recipient. Moreover, this provision—while limiting the instances when fees and costs can be obtained from the corporation by defendants—does not in any way limit recipients' rights to obtain costs and fees whenever they win cases for their clients.

Other provisions were accepted in toto by the House or Senate. The House provision requiring programs, in filling staff attorney positions, to seek recommendations from local bar associations, and to give preference to residents of the local community who are as qualified as applicants from out of town, was retained. This provision, however, requires preference to be given solely to "qualified" local attorneys—the determination of whether any attorney is qualified being left exclusively to the recipients' director. Thus, when two applicants of equal quality apply for a staff attorney position, then a preference is to be granted to the local attorney.

Similarly, the Senate's class action provision, accepted by the House conferees, requiring the project directors approval, in accordance with policies established by his governing board, before a staff attorney may become involved in a class action suit, is signed to assure accountability and sound management in the program. At the same time, the bill makes it clear that the corporation is not to interfere, in any way, with recipients' decisions concerning the taking of appeals, the filing of class actions, and the instigation of class action amicus curiae proceedings. The conferees were mindful, in fact that the GAO released a study of legal services programs in March 1973, which noted the economy of bringing class actions and concluded legal services attorneys should utilize this remedy.

The Corporation will establish criteria—after consulting with the Director of the Office of Management and Budget and the Governors of the several States—for determining which individuals are eligible for legal services. These individuals, plus groups composed of at least a majority of such eligible individuals, will thus be the beneficiaries of this fine program.

It should be clear, then, that this bill received careful consideration, and that full regard was given to all views. The bill should keep the program moving forward without any disruption or restriction on the types of representation being afforded, although there are limits on certain matters with respect to which new suits can be filed. It is a relief that we have reached this point after so much work. It is now time for speedy action on the bill by Congress and the President.

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. FORD).

Mr. FORD. Mr. Speaker and Members of the House, as a member of the Committee on Education and Labor I have been a supporter of the concept of legal services for the poor ever since I came here. I have worked as many hours and as many days, weeks and months, in

support of the basic purpose of the legislation we now have before us ever since its beginning several years ago.

I have the highest regard for Chairman PERKINS and my colleagues in both the majority and the minority parties who served on this conference committee, and who handled this bill on the floor of the House, but I am now, in retrospect, relieved that I was not named as a conferee, because I think that what we have before us here when compared to the legislation that 100 of us cosponsored back in 1971 is a poor pallid and pitiful excuse for a program whose purpose is supposed to be to help the poor people in this country.

Mr. Speaker, if there has ever been one single program designed to help the poor people that has demonstrated a real return on our dollars, it has been the legal services program. Legal service lawyers have brought about correct and statutory reforms beneficial to every working man or woman, and their families.

I have held hearings all over this country. I have participated year in and year out in the oversight of this program, and we have heard from all segments of the organized Bar and the political structure, as well as people directly involved in the program, and the record compiled from the hearings underscores and documents the effectiveness of this program.

But ever since 1971, when we first tangled with Mr. Ehrlichman up here on this bill, we have anticipated having to accept the kind of program which will result with the passage of the legislation before us today.

Ever since 1971 we have had the insistent demands from the White House that the President appoint the board to run this corporation, and by using the force and the threat of his veto power the President has had his way on every single one of the controversial items that have been discussed in the 4 years since.

Suggestions by the American Bar Association and other legal groups across this country have been aimed at getting the legal services program out of politics, and yet in the form that we now have the program before us this bill puts it right back into politics, because the conference report would in some cases authorize State and local governments to run legal services programs.

And if this policy is actually implemented, I suggest that some lawyers in some States could be in trouble with their bar associations if they accept employment where locally elected officials have the right to dictate to them what their relationship with and their duties to their clients will be. This conference report and the bill that went out of the House is riddled with examples of situations where a lawyer will actually be violating the code of ethics of his profession if he accepts employment, and as a condition of the employment, the kind of conditions that are imposed on the lawyers in this program.

For instance the conference report requires that "guidelines" be established for the consideration of appeals—this is clearly an intrusion on the discretion which should be retained and exercised only by the lawyer actually handling the case.

Mr. Speaker, we are kidding the American people if we say that in fact the money to be spent under this program is intended to give poor people or near-poor people the same fair, even shake in our system of justice that people with money have.

We are kidding ourselves when we establish a program which involves hiring lawyers but which also says to the lawyer that he or she may not, even during their ""off time" participate in any type of political activity whatsoever—regardless of whether it is partisan or nonpartisan in nature.

The gentlewoman from Oregon asks; What if somebody with $10,000 is in trouble? The gentlewoman has apparently not paid too much attention to this program, because the fact is, that if we have an automobile worker who was making $10,000 last year, who has a family, and who is now facing bankruptcy, he or she can walk into a legal services program and get assistance. There are a lot of men and women in my district who would like to be working now who are not working, through no fault of their own, and are now faced with garnishments and attachments for debt. They do not have the money to turn any place else. Where are they going to get legal service?

Shall we tell them that the Federal Government, in all of its generosity, has finally said that they can have, but only with qualifications, some of the legal rights that we afford to people who are accused of criminal conduct in this country. How more hypocritical can this House be than to continue to support 100 percent constitutional rights for those who can pay for them and qualified rights for ordinary citizens with limited or no cash resources.

Mr. Speaker, the harm has been done. Thanks to this administration's callous attitude toward the poor and near poor people of this country we have before us only a crippled and watered-down version of what we first introduced—and yet we are forced to accept this or have nothing at all.

I intend to support this legislation, but I wish to put the administartion on notice as of now that we shall be watching very closely as the President nominates the members of his board, and you may be sure that we will also conduct oversight hearings as frequently as we deem necessary.

One other thing I would like to point out to my colleagues before we vote on this issue—we are considering a bill to provide legal services for the poor which has been opposed from the very beginning by a President who is enjoying the benefit of what appears to be a White House Legal Services for the President."

We are here debating over this legislation while at this very same time our Chief Executive provides himself with hundreds of thousands, if not millions, of dollars worth of legal assistance—at taxpayers' expense—to defend himself for damages of wrongdoing in public office.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PERKINS. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, there will be a motion to recommit offered to stike the backup centers, and I think we ought to direct our attention to that for just a moment.

First, let us understand it is not a question of whether or not research training, technical assistance, and clearing house functions are going to be carried on by one of the corporations created, for instance, in the Senate bill, or one created by the House bill. Both bills allow all of those functions. The question is whether or not they can be done by grant or contract.

Under the House bill they could not be done by grant or contract as they are being done today. Under the Senate bill, they could. Compromise is a 1-year study and a termination 6 months following that if the House does not do something about it, a real compromise between those two positions. But let us look at the concept of what would have happened had the House position prevailed. It seems to me that that program would have created almost instantly in this new corporation that we are setting up a fantastic bureaucracy.

Under the Senate provisions and under the conference provisions now, they can contract those studies, research, technical assistance, and such things out, but if they had to establish the bureaucracy which would be necessary to carry out that kind of research, to carry out that kind of technical assistance, bringing that bureaucracy back here to Washington, D.C., and planning it, I submit to the Members that the Corporation would be overburdened from the outset.

What is wrong with doing this by private contract? What is wrong with contracting with UCLA, for instance, to study the questions of law regarding health, or St. Louis University to study the legal problems of juveniles, or with USC or with Northwestern, or with Catholic University, or with Howard, or, indeed, with the ABA itself? It is not a question of yes or no on backup centers—it is a question of a massive bureaucracy or contracting with law schools to provide services.

The SPEAKER pro tempore (Mr. O'NEILL). The time of the gentleman has expired.

Mr. MEEDS. Mr. Speaker, I suggest that we should vote down the motion to recommit.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I will submit a motion to recommit, to which the gentleman from Washington has just referred. The motion to recommit will read as follows:

That they insist upon the House provision which would authorize that the Corporation provide directly, but not by grant or contract, for (A) research, (B) training and technical assistance, and (C) information clearinghouse activities, relating to the provision of legal assistance under the Act (all of which activities currently fall within the scope of the activity commonly referred to as "backup centers").

The amendment will uphold the original House position. As the gentleman from Washington (Mr. MEEDS) has correctly indicated, in both the House bill and the Senate bill it was possible to have back-up research centers by the corporation or in each State but this will prevent the corporation by grant or contract having additional back-up centers outside the limits of that State or outside the corporation as it is now constituted under the act.

I think this is necessary. I think it is a reasonable position. I think while in general the conference report can be said to have reflected our position I think the House can easily vote for this on the basis of telling the conferees in this one area that we think the House position should have been sustained and I would urge the House to vote on that basis.

Mr. PERKINS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Speaker, I am strongly opposed to the conference report on the Legal Services Corporation Act (H.R. 7824) and I rise to urge Members of the House to vote against this proposal.

The simple fact that the conferees changed, considerably, the House version of the bill, is ample justification to vote against this conference report. As you know, when the House considered the bill, it added 24 safeguards against the various abuses which characterized the program in the past. In conference, 17 of these were eliminated or altered in such a manner as to destroy their original meaning and impact.

It is my understanding that the purpose of this legislation was to create an independent corporation in order to remove the previous legal services program from its deep involvement in various radical social projects and political activities. Obviously this bill does not provide adequate safeguards against such involvements in the future by Government-paid attorneys.

I think most of us, at one time or another, have had concerns about the legal services program. Such activities as backup center representation of May Day demonstrators, registered lobbyists in State capitols, representing radical groups, and involvement in political campaigns, have given us good reasons to be concerned.

And with regard to this current proposal, even where safeguards have been included in the bill, loopholes nullify their impact.

Originally, the legal services program, which operates under the Office of Economic Opportunity, was designed to provide the Nation's poor with competent legal counsel. But unfortunately, this program has been used time and again to initiate frivolous lawsuits, take part in strikes, protect draft dodgers, and aid in abortion and desegregation suits.

When it was established, the legal services concept was one of merit. But in recent years the program has turned into one massive legal attack on our Government.

I, for one, am opposed to using tax dollars to support these activities. I opposed the bill in 1973 to set up a legal services corporation and I plan to vote against it today.

In my judgment, this proposal is not an improvement of our present legal services program, but merely an extension and continuation of those questionable polices of the past.

I think it is bad legislation and I urge my colleagues to vote against the legal services conference report.

Mr. KEMP. Mr. Speaker, I support the motion to recommit this measure to the conference committee.

In order that this support for the motion to recommit not be misconstrued, I wish to restate my longfelt support for a good, sound legal services programs.

I think a legal services program for the poor warrants the support of this House, but I do not think the bill before us warrants that support. A judicare approach—which I will discuss in detail hereafter—would be preferable, and I could support it. A revenue-sharing or bloc-grant approach would be preferable, and I could support it too. Almost any measure which was free of the centralized, bureaucraticized approach embodied in the conference-reported bill is preferable.

A tightly drawn bill, dealing with the substantive issues associated with this program and arighting the abuses which have too often characterized it, is what we passed last June when this measure was before us. That should have been better preserved in the conference committee.

In these times when we hear so much about the abuses of centralized power in Washington, it seems to me to be most propitious to convert this legal services program from one dominated by the executive here and decentralize it among those units of government closest to the people—State and local government. I think the record of government in this Nation is clear: Government closest to the people delivers best in their interest, and this is particularly true with respect to the interests of minorities and economically disadvantaged groups. There could be fewer times in our history when decentralizing power is more appropriate than it is today. One of the problems with the current legal services program is that it does not have sufficient flexibility at the local level to respond to the widely varying client situations. Federal regulatory schemes are, by definition of regulation, debilitating to maximizing local decisionmaking. The answer is not more regulation, more centralization, more federalization, but rather less.

I believe the conferees acted in good faith to obtain a compromise measure. But, that good faith notwithstanding, I do not think the compromise which they attained is a good one. To the contrary, the majority of the amendments which were offered on the floor and accepted by the House last June—often over the strong objections of the bill managers—were stricken in the conference committee. Instead of the House giving a little here and the Senate giving a little there—along the classic lines of resolving disagreements—each House gave up those particular provisions, coming from either House's text, which would have helped reform the present program. The status quo is what they preserved, and it is not a good status quo.

We invite the further frustration of the will of the majority of Members—on this and many other issues—if we permit circomvention of the intent of this House to occur. Recommital is the procedural device through which we can tell the conferees that we are dissatisfied with the results of their deliberations and to go back and try it again.

This is an important point to me, for I support a sound, conceptually well conceived and efficiently administered legal services program for the poor. My record is a clear one on this issue. I have introduced, together with the distinguished Senator from Tennessee (Mr. BROCK) a measure to continue the program through a revenue-sharing approach. I have supported proposals which would "put the client in the driver's seat" through a judicare device using vouchers given to the poor for payment and letting them select their own attorneys by free choice.

The concept of a neighborhood legal aid bureau, assisted by neutral Federal tax dollars, is worthy, in my opinion, of the support of Members. This was the notion which underlay the initial creation of this Federal program. Unfortunately, that intent has been frustrated by the self-imposed agenda of staff directors and staff attorneys who see the attainment of certain ideological, philosophical, even political goals—often at the expense of servicing adequately the poor clients in genuine need—as their primary motivations.

The point which strikes me on this issue is the way in which the House—in the passage of many constructive amendments last June—came to grips with the substantive issues associated with this program, in marked contrast to the way in which the conference committee subsequently refused to address itself to substantive reform in the program by removal of most of those amendments which would have required that reform.

I think the House was on the right track when it accepted the majority of the amendments offered last June. After nearly 10 years of operational activities associated with this legal services program, the House addressed itself to meaningful reform. In the interest of providing the most effective legal services to the poor—getting the greatest impact for each Federal dollar spent—the House set about to make some important changes in the program. Others here today have spoken on the exact nature of these reforms and how the conference committee actions thwarted them; I shall not, therefore, be repetitious.

If this bill is recommitted—and I hope that it will be—the conferees should, in my opinion, consider these foundation stones in their deliberations on what exactly ought to be done. The next conference-reported bill should—

First, insist that the principal thrust of legal services activities provide the most effective delivery of individual lawyer services to clients with particular

grievances—something which can happen only when the attorneys in the program stop spending their time with non-client generated "test" cases, policy lobbying, unaccountable advocacy with public funds, et cetera, and start spending their time on their clients.

Second, the conferees should consider a transfer from the present staff attorney system to a judicare approach.

It is crucial in all legal matters that the client be in the proverbial driver's seat. The attorney works for the client, not the other way around. Yet, under the present program, if a neighborhood legal services attorney does not like a case—or it does not conform to his own agenda—or if he does not think he has the time—the poor person has no place else to go. There is a way to correct this abuse; it is called judicare.

Under judicare you give the poor person who needs legal help a voucher worth so many dollars. Then that poor person, as the client, can go out into the open market of available attorneys and select whomever he or she thinks can best represent their interest in the legal controversy for that amount of funds. The individual is, thus, given the freedom of choice requisite to the historical attorney-client relationship.

I call the attention of my colleagues to an outstanding article in the American Bar Association Journal of December 1973 by Samuel J. Brakel, the director of the American Bar Foundation's study of judicare; the article is entitled, "The Case for Judicare." Mr. Barkel observes:

The empirical data from the Foundation study reinforce the theoretical arguments that the judicare system is more responsive to the problems of delivering legal services to the poor than the staffed office.

REACHING THE POOR

Judicare, through its use of existing lawyers distributed throughout counties and local communities and its use of social service agencies as eligibility certifiers, is well designed to reach the poor. Under a judicare system, poor people are likely to become aware of the services available earlier, easier, and at less expense of attorney time than under the staffed office model. The disadvantages of involving social service agencies in eligibility determination are minimal and are offset by concrete and psychological advantages of judicare card distribution.

THE LAWYERS

The choice of lawyer that clients have under judicare is a very significant advantage over the choiceless staffed office. Judicare clients in many instances exercise that choice intelligently and effectively. Private lawyers—even in the comparatively small and homogeneous areas of rural northern Wisconsin or western Montana—are a diverse group in terms of legal and philosophic habits and attitudes. These characteristics and the reputations of private lawyers—especially in rural areas—are well known among the target population and enable clients to make meaningful choices.

Private lawyers in the judicare areas studied were well distributed on the whole, although a few counties had problems in this regard. Few lawyers in a given county meant limited choice and access for clients. More significantly, it increased the likelihood that no lawyer with adequate commitment to serving the poor could be found. The attitudinal commitment of the bar to the judicare program is one of the crucial elements in the performance of the judicare system. That commitment translates directly into the volume (and the type and probably the quality) of service provided and influences the total shape of—including client demand for—legal services. In a few counties, even some with a good number of lawyers, adequate commitment is lacking and the judicare performance suffers.

The staff office, however, is hardly preferable in this respect. Since there is no other recourse for clients under the staffed office model, any flaw in staff attorney attitude or practice—even if only subjectively valid—is essentially fatal from the individual client's standpoint. That being the case, staff attorney inexperience and the pressures of caseload, time, and money caused by the typically massive geographical and substantive problem areas to be covered by one or two staff attorneys assume a special seriousness. Staffed office statistics showing very large volumes of cases handled and balanced geographical distribution of clients bringing cases are largely illusory. These statistics do little more than reflect insufficiency of analysis or differences in recording practices between staffed office and judicare programs, rather than disparities in substantive accomplishment.

THE CASES

Often criticized for failing to provide an adequate range of legal services, judicare in fact—from examining the performance of both the private lawyers and the central office—compares favorably to the staffed office. A high proportion of domestic relations cases appears to characterize all legal services programs for the poor, regardless of model or location. Beyond that, the private attorneys under judicare as a group are involved in as diverse a range of services, whether measured by impact or by the standard type of case categories, as the group of regular staffed office attorneys we studied. High turnover of and the consequent lack of experience among staffed office attorneys negate any advantages of *"expertise"* and "commitment" sought in staffed offices.

Under both models, much of the obvious impact work, by definition perhaps, is left to the central office. Centralization has an undesirable aspect because it means remoteness from local perceptions of local problems and resolutions. The staffed office model is more susceptible of the criticism of central remoteness than the judicare model, which has the local private attorneys distributed throughout the communities as a buffer against overcentralization.

Neither model comes close in practice to living up to the more excessive rhetorical demands for impact work. The concrete experience of attempting to meet the legal needs of real, individual clients does much to undermine the validity of the substantive, strategic, or evaluative emphasis on "law reform."

QUALITY OF SERVICE

Poor clients themselves exhibit a pronounced preference for judicare over the staffed office. They are more satisfied as a group with judicare experiences than with staffed office service, and in addition they show a strong nonempirical preference for judicare when asked which of the two they favor. The individual's choice of lawyer plays a large part in the judicare preference, but the clients' favorable atttiudes toward and experiences with local private lawyers are also crucial. The clients' views on these issues are important not only because clients are the central participants, the beneficiaries, in legal services programs, but also because their views are often objectively persuasive and cogent. The quality of judicare services and the emphasis on individual, local problem perception and responses are also supported by the high rate of favorable outcomes of individual clients' cases.

COST OF SERVICE

There is no credible evidence that judicare is more costly than the staffed office. Wisconsin Judicare operates on a budget that is considerably lower in dollars per eligible family than the budgets of comparable rural staffed office programs. An item-by-item examination of the Wisconsin Judicare and the Upper Michigan staffed office budgets shows that while judicare professional services are somewhat more costly than staffed office professional services, this is more than offset by judicare savings in nonprofessional service and management (space and equipment rental, travel, and various miscellaneous items), the costs of which are typically absorbed in a large part by private lawyers under judicare but fully charged against the staffed office program.

Third, a new bill should require annual appropriations, with a bar against multi-year appropriations without congressional review. In the interest of best protecting the taxpayers' dollars going into this program, such a review is essential.

Fourth, the new bill should require that no public funds be used for the advocacy of ideological, philosophical, political, or partisan points of view, except to the degree that they relate to a specific matter within the judicial, litigative process affecting a client and only then as part of a legal strategy. To the degree that public dollars subsidize points of view, the rights of free expression of all others not similarly subsidized are jeopardized. Our first amendment rights are affected detrimentally when Government subsidizes the viewpoints of others.

Mr. Speaker, I reiterate my support for the concept of Federal assistance for legal services for the poor. I think, however, there is a better way to do it than reflected in the bill before us.

If this measure should be approved by the two Houses, the President ought to consider its veto. The bill ought to be sent back to the drawing board, where we can start anew in addressing ourselves to this issue. We must maintain support for a legal services program, but not the one which would result from the implementation of this bill.

Mr. HOGAN. Mr. Speaker, I rise in opposition to the conference report on the legal services legislation. My particular concern is not in the tactics used to further this legislation, though that is questionable, so much as it is with what the legal services programs actually do.

It is safe to say that, through the vehicle of legal services projects and legal services backup centers, the American taxpayer has helped finance the legalization and legitimization of abortion in the United States, and is continuing to finance the furtherance of abortion as a "service" to the public. The legal services business has been the most effective lobby for abortion in the country. Legal services activists helped write and lobby for "model" abortion statutes; they planned and carried out "test" cases; they participated on a nationwide basis in amicus curiae briefs, wherever they could find them, on behalf of such groups as the National Organization for Women; they have contributed to the ever-increasing flow of propaganda on

belief of abortion by publishing newsletters and writing articles, especially articles from a legalistic point of view.

This is a tragic miscarriage of the law. The legal services office was first established within OEO to help the poor with their everyday legal needs, credit problems, landlord problems, divorces, wills, matters such as this. Yet, it has been transformed from that into a powerful, ideological lobby, at times quite heedless of the wishes of the poor.

Many of our minority leaders are opposed to abortion on grounds of principle. Yet, these poverty law activists assume that abortion is good for the poor, and proceed to charge ahead in pursuit of that end. It is not enough that the poor—or anybody, for that matter—have the legal right to slaughter an unborn person, but legal services activists want the Federal Government, the State governments too, to pay for the deed. H.R. 1 mandates family-planning services; there is separate family-planning legislation; all of this legislation contains specific disclaimers of abortion as a means of family planning. Yet legal services lawyers who apparently get bored with the everyday legal problems which poor people have, have tried unceasingly to find ways around that disclaimer. I refer to an article in the April, 1974, Clearinghouse Review. The Clearinghouse Review is a monthly publication by and for poverty lawyers, published with OEO money and is a forum of announcements, advertising, employment and the theorizing of new interpretations of the law and how to fight them in court. The lead article in the April issue is entitled, "The Right to Abortion Under Medicaid," by Patricia Butler of the national health law program, another backup center financed with public moneys under legal services authorizations. This article goes on for 8 pages to prove that abortion is indeed just another health service, that any abortion "desired is an abortion needed" for health reasons—mental or emotional health as well as physical health—and the Federal funds are being wrongfully withhheld from abortions for the poor. This article is intended to derail Senator JAMES BUCKLEY's medicaid amendment, which has not gone into effect yet, which is designed to prevent such use of public moneys.

It is wrong that American citizens are paying taxes to support public interest lawyers, who in turn set about compelling the Government to spend more money, in this case for the performance of services that many citizens consider abhorrent and grossly immoral. To commit the U.S. Government, and the law, to encouraging abortion, as legal services activists have succeeded in doing, is to violate the public trust, and especially the legislative intent in creating legal services to begin with.

While I was the author of an antiabortion amendment to the legal services bill when it was on the House floor which was approved, I am not satisfied that any antiabortion amendment would effectively deter the staff of legal services in their proabortion activities. As long as the backup centers continue, the think tanks will continue to crank out their new ideas and novel approaches to the abortion issue. This laxity should be corrected, Mr. Chairman, when the Nation is beginning to reorganize itself around the whole question of abortion, and a movement to reverse the Supreme Court decision is gaining strength throughout the country.

For legal services activists to be hard at work, setting up organizations, advocating abortion at a policy level, publishing articles in defense of it, and intimidating the public, all with Federal funds, is an abuse of the public trust unequalled. If this continues, it will mean the Federal Government has decided to promote abortion, to encourage it, and to make it more accessible and more desirable, all in total conflict with the often expressed intent of Congress. That would be an intolerable situation to men of good conscience. Yet that is the status quo, and failure to rectify this situation would indicate that our lawmakers are indeed of that mind. Silence gives consent, runs the old adage, and unless this public lobby for abortion is closed down, it will indicate governmental assent to its activities and its purposes.

Mr. Speaker, I urge our colleagues to vote against the conference report on legal services.

Mr. DRINAN. Mr. Speaker, the Legal Services program has been embroiled in controversy since its inception. That is inevitable. Whenever attempts are made to disturb the status quo, as this program does, those who benefit at the expense of the poor and the downtrodden will surely protest.

If there were no objection to the legal aid program, I would suspect that it was probably ineffective. Advancing the rights of the disadvantaged, by its nature, is calculated to upset the social order. When the rights of a traditionally excluded group are suddenly championed, the status of others who have held sway in the past invariably must give way.

These circumstances, peculiar to programs of this sort, have called forth the use of political power, both at the State and Federal level, to attempt to cripple the program. Nixon appointees and State officials have taken every opportunity to render the program ineffective.

Out of this milieu arose the concept of an independent agency to manage legal services for the poor. That is the central idea embodied in the Legal Services Corporation Act of 1974, the bill we consider today. Because it is designed to reduce or eliminate political influence in the provision of legal assistance for persons who cannot afford a private attorney, I intend to vote in favor of it.

To be sure, it is not the perfect bill. There are several provisions in it to which I strenuously object. There is, for example, no basis for prohibiting the program for instituting suits to desegregate primary or secondary schools. Singling out that type of litigation for special treatment raises serious questions under the equal protection clause of the 14th amendment. It would not surprise me if that provision is eventually declared unconstitutional.

The clause which directs local programs to give hiring preference to residents of the "community to be served" also raises substantial constitutional issues. The Supreme Court and lower Federal courts have regularly invalidated governmental action which seeks to extend benefits based on residence requirements. Any time a statutory provision is geared to residency the constitutional right to move freely among the States is drawn into question.

Third, I have great reservations about the provision which bars the Corporation from funding legal assistance through any law firm which "expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public." Thus the statute authorizes the use of Federal money to pay for legal aid from law firms which have traditionally defended the interests opposed to the poor, while withholding aid to law firms seeking to secure their rights. That is a most incongruous provision.

But with all this said, it is still a good bill, perhaps because it is the only one we have. It is better that we establish now an independent agency to direct the provision of legal services for low-income people than that the present program be subject, for an indefinite future, to the buffeting political winds.

Mr. DENNIS. Mr. Speaker, I am not insensitive to the need for legal services to the poor. Like most lawyers in our small towns and medium-size cities I have spent a good part of my life giving legal services to the poor, from time to time, in the course of my practice of the law. This sort of informal legal aid is an honorable and longtime part of the tradition of the legal profession.

These informal services—although very widespread—may be insufficient to meet the problem. Perhaps more formalized, but privately financed, legal aid is not sufficient. Even so, serious questions remain whether the Federal Government rather than private, local, and State agencies should meet this need; and whether, if the Federal Government is to take action, there may not be better methods than the Legal Services Corporation approach which is embodied in this bill.

Indeed, one of the best provisions in the pending measure is that providing for the study of other methods—such as judicare, a voucher system, revenue sharing, contracting with law firms, and so on.

Logic and prudence would seem to suggest, however, that such a study might well precede the establishment of a new, expensive, and far-reaching system, rather than following as an apparent afterthought when that system is being established.

The fundamental problem in this matter is one of philosophy and approach.

The rich—so long as there are any rich—will always be able to afford legal services. If this bill becomes law the poor will have such services furnished to them at the public expense. What happens to the man of the middle class, the taxpaying and tax-providing millions who are neither rich nor poor?

What of the small private employer, or the local governmental unit, against

whom some action is brought under this bill by self-described "lawyers for the poor," backed by the full resources of the Treasury of the United States—a Treasury made up for the most part, in many cases, of funds collected from the very defendant involved, and from those sharing his general interests and outlook in life?

This question—which is not rhetorical but, on the contrary, quite real—goes, I submit, to the fundamental problem posed by the pending legislation.

Assistance with the personal and individual legal problems of the poor, is one thing. It is easy to sympathize with the idea of legal aid in such fields as landlord and tenant, vendor and purchaser, master and servant—to use the old legal phraseology—and domestic relations, for example. Likewise with respect to the criminal law which, however, is a field not covered by this legislation.

It is much less easy to sympathize with using the taxpayers' money to finance far-reaching class actions brought by liberal or radical young lawyers, and sometimes designed far less to aid any individual client than to bring about alleged social reforms of their own preference, measures which the duly elected representatives of the people have never seen fit to initiate.

One valid test of the philosophy and intentions of the advocates of this bill is to take note of the actions so far actually taken.

In the House the committee greatly modified the bill as originally presented, and modified it in the direction of ideological alleged reform; the House as a whole went a good way in a long day's work to return the bill to its original and more moderate dimensions. The Senate has now returned to us again a definitely more ideological type of bill.

No real consideration has ever—in House or Senate—been given to alternative methods which might well replace the Legal Services Corporation and its staff attorneys.

Under these circumstances it is not unfair to wonder how much the sponsors of this measure are dedicated to the protection of the legal rights of the poor; and how much they are interested in using the measure as a vehicle to push for their own favored social reforms—reforms many of which lack sufficient public support to be enacted into law on their own merits.

And under these circumstances it is not too much for those of us who are sympathetic to legal aid, but skeptical of this social approach, to withhold any vote of approval on our part for a better bill, upon another day.

Mr. PERKINS. Mr. Speaker, I move the previous question on the conference report.

Mr. SPEAKER pro tempore (Mr. O'NEILL). Without objection, the previous question is ordered on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the Conference Report on the bill, H.R. 7824, to the Committee of Conference with the following instructions to the Managers on the Part of the House:

That they insist upon the House provision which would authorize that the Corporation provide directly, but not by grant or contract, for (A) research, (B) training and technical assistance, and (C) information clearinghouse activities, relating to the provision of legal assistance under the Act (all of which activities currently fall within the scope of the activity commonly referred to as "back-up centers").

Mr. ASHBROOK. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. ROUSSELOT. 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 pro tempore. 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 183, nays 190, not voting 60, as follows:

[Roll No. 227]

YEAS—183

Abdnor	Conlan	Hudnut
Alexander	Crane	Hungate
Andrews, N.C.	Cronin	Hunt
Andrews, N. Dak.	Daniel, Dan	Hutchinson
Annunzio	Daniel, Robert W., Jr.	Jarman
Archer	Davis, Wis.	Johnson, Colo.
Arends	Denholm	Jones, N.C.
Armstrong	Dennis	Kemp
Ashbrook	Derwinski	Ketchum
Bafalis	Devine	Lagomarsino
Baker	Dickinson	Landgrebe
Bauman	Downing	Landrum
Beard	Duncan	Latta
Bennett	Edwards, Ala.	Lent
Bevill	Eshleman	Lott
Biaggi	Evins, Tenn.	Lujan
Blackburn	Fisher	McClory
Bowen	Flowers	McCollister
Bray	Fountain	McEwen
Breaux	Frelinghuysen	Mahon
Brinkley	Froehlich	Mallary
Broomfield	Fuqua	Mann
Brotzman	Gettys	Martin, Nebr.
Brown, Mich.	Ginn	Martin, N.C.
Broyhill, N.C.	Goldwater	Mathias, Calif.
Broyhill, Va.	Goodling	Mathis, Ga.
Buchanan	Green, Oreg.	Mayne
Burgener	Gross	Michel
Burke, Fla.	Grover	Milford
Burleson, Tex.	Gubser	Miller
Butler	Gunter	Minshall, Ohio
Byron	Guyer	Mitchell, N.Y.
Casey, Tex.	Haley	Mizell
Cederberg	Hammer-schmidt	Montgomery
Chamberlain	Hanrahan	Moorhead, Calif.
Chappell	Harsha	Myers
Clancy	Henderson	Nelsen
Clausen, Don H.	Hillis	Nichols
Clawson, Del	Hinshaw	O'Brien
Cleveland	Hogan	Parris
Cochran	Holt	Passman
Collins, Tex.	Hosmer	Poage
Powell, Ohio	Shuster	Veysey
Quillen	Sikes	Walsh
Randall	Smith, N.Y.	Wampler
Rarick	Snyder	White
Regula	Spence	Whitehurst
Rhodes	Stanton, J. William	Whitten
Rinaldo	Steed	Widnall
Roberts	Steiger, Ariz.	Wiggins
Robinson, Va.	Stephens	Wilson, Bob
Rousselot	Symms	Winn
Ruth	Taylor, Mo.	Wydler
Sarasin	Taylor, N.C.	Wylie
Satterfield	Thomson, Wis.	Wyman
Scherle	Thone	Young, Alaska
Schneebeli	Thornton	Young, Fla.
Sebelius	Treen	Young, Ill.
Shipley	Ullman	Young, S.C.
Shoup	Vander Jagt	Zion
Shriver		Zwach

NAYS—190

Abzug	Gibbons	Owens
Adams	Gilman	Patman
Addabbo	Gonzalez	Patten
Anderson, Calif.	Grasso	Pepper
Anderson, Ill.	Gray	Perkins
Ashley	Green, Pa.	Pickle
Aspin	Gude	Pike
Badillo	Hamilton	Podell
Barrett	Hanley	Preyer
Bell	Hanna	Price, Ill.
Bergland	Hansen, Wash.	Pritchard
Biester	Harrington	Quie
Bingham	Hastings	Railsback
Blatnik	Hays	Rangel
Boggs	Hechler, W. Va.	Reuss
Boling	Heckler, Mass.	Riegle
Brademas	Heinz	Robison, N.Y.
Brasco	Hicks	Rodino
Breckinridge	Holifield	Roe
Brooks	Holtzman	Roncalio, Wyo.
Brown, Calif.	Horton	Rooney, Pa.
Brown, Ohio	Howard	Rose
Burke, Calif.	Johnson, Calif.	Rosenthal
Burke, Mass.	Jordan	Rostenkowski
Burlison, Mo.	Karth	Roush
Burton	Kastenmeier	Roy
Carney, Ohio	Kazen	Roybal
Chisholm	Kluczynski	Ruppe
Cohen	Koch	Ryan
Collins, Ill.	Kyros	St Germain
Conable	Leggett	Sandman
Conte	Lehman	Sarbanes
Conyers	Long, La.	Schroeder
Cotter	Long, Md.	Seiberling
Coughlin	Luken	Sisk
Culver	McCormack	Smith, Iowa
Daniels, Dominick V.	McDade	Staggers
Danielson	McFall	Stark
Davis, S.C.	McKay	Steelman
Delaney	McKinney	Steiger, Wis.
Dellenback	McSpadden	Stokes
Dellums	Macdonald	Stratton
Dent	Madden	Stuckey
Dingell	Madigan	Studds
Donohue	Maraziti	Symington
Drinan	Mazzoli	Thompson, N.J.
du Pont	Meeds	Tiernan
Eckhardt	Melcher	Towell, Nev.
Edwards, Calif.	Metcalfe	Traxler
Eilberg	Mezvinsky	Udall
Erlenborn	Minish	Van Deerlin
Evans, Colo.	Mink	Vander Veen
Fascell	Mitchell, Md.	Vanik
Fish	Moakley	Vigorito
Flood	Mollohan	Waldie
Foley	Moorhead, Pa.	Whalen
Ford	Mosher	Wilson, Charles, Tex.
Forsythe	Moss	Wolff
Fraser	Murphy, Ill.	Yatron
Frenzel	Murtha	Young, Ga.
Fulton	Natcher	Young, Tex.
Gaydos	Nedzi	Zablocki
Giaimo	Obey	
	O'Hara	
	O'Neill	

NOT VOTING—60

Boland	Hansen, Idaho	Nix
Camp	Hawkins	Pettis
Carey, N.Y.	Hébert	Peyser
Carter	Helstoski	Rees
Clark	Huber	Reid
Clay	Ichord	Rogers
Collier	Johnson, Pa.	Roncallo, N.Y.
Corman	Jones, Ala.	Rooney, N.Y.
Davis, Ga.	Jones, Okla.	Runnels
de la Garza	Jones, Tenn.	Skubitz
Diggs	King	Slack
Dorn	Kuykendall	Stanton, James V.
Dulski	Litton	Steele
Esch	McCloskey	Stubblefield
Findley	Matsunaga	Sullivan
Flynt	Mills	Talcott
Frey	Morgan	Teague
Griffiths	Murphy, N.Y.	

Waggonner	Wilson,	Wright
Ware	Charles H.,	Wyatt
Williams	Calif.	Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Waggonner for, with Mr. Corman against.
Mr. Hébert for, with Mr. Murphy of New York against.
Mr. Rogers for, with Mr. Boland against.
Mr. Frey for, with Mr. Esch against.
Mr. Huber for, with Mr. McCloskey against.
Mr. Tadcott for, with Mr. Carey of New York against.
Mr. Camp for, with Mr. Matsunaga against.
Mr. Johnson of Pennsylvania for, with Mr. Stubblefield against.
Mr. Ware for, with Mr. Reid against.
Mr. King for, with Mr. Clark against.
Mr. Collier for, with Mr. Dulski against.
Mr. Skubitz for, with Mrs. Sullivan against.
Mr. Jones of Alabama for, with Mr. Clay against.
Mr. Teague of Texas for, with Mr. Diggs against.
Mr. Roncallo of New York for, with Mr. Nix against.

Until further notice:

Mr. Davis of Georgia with Mr. Dorn.
Mr. de la Garza with Mr. Jones of Oklahoma.
Mr. Ichord with Mrs. Griffiths.
Mr. Flynt with Mr. Hansen of Idaho.
Mr. Jones of Tennessee wtih Mr. Morgan.
Mr. Hawkins with Mr. Mills.
Mr. Pettis with Mr. Peyser.
Mr. Rees with Mr. Rooney of New York.
Mr. Runnels with Mr. Slack.
Mr. James V. Stanton with Mr. Steele.
Mr. Williams with Mr. Findley.
Mr. Charles H. Wilson of California with Mr. Wyatt.
Mr. Wright with Mr. Yates.
Mr. Carter with Mr. Helstoski.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the conference report.

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

Mr. QUIE. 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 227, nays 143, not voting 63, as follows:

[Roll No. 228]

YEAS—227

Abzug	Brotzman	Dent
Adams	Brown, Calif.	Dingell
Addabbo	Brown, Mich.	Donohue
Anderson, Calif.	Brown, Ohio	Drinan
	Burke, Calif.	du Pont
Anderson, Ill.	Burke, Mass.	Eckhardt
Andrews, N.C.	Burlison, Mo.	Edwards, Calif.
Andrews, N. Dak.	Burton	Eilberg
	Carney, Ohio	Erlenborn
Ashley	Chisholm	Evans, Colo.
Aspin	Cleveland	Evins, Tenn.
Badillo	Cohen	Fascell
Barrett	Collins, Ill.	Fish
Bell	Conable	Flood
Bergland	Conte	Flowers
Biaggi	Conyers	Foley
Biester	Cotter	Ford
Bingham	Coughlin	Forsythe
Blatnik	Culver	Fraser
Boggs	Daniels, Dominick V.	Frelinghuysen
Bolling		Frenzel
Brademas	Danielson	Fulton
Brasco	Davis, S.C.	Gaydos
Bray	Delaney	Giaimo
Breckinridge	Dellenback	Gibbons
Brooks	Dellums	Gilman
Gonzalez	Melcher	Ruppe
Grasso	Metcalfe	Ryan
Gray	Mezvinsky	St Germain
Green, Pa.	Milford	Sandman
Gude	Minish	Sarasin
Gunter	Mink	Sarbanes
Guyer	Mitchell, Md.	Schroeder
Hamilton	Mitchell, N.Y.	Seiberling
Hanley	Mizell	Shriver
Hanna	Moakley	Sisk
Hansen, Wash.	Mollohan	Smith, Iowa
Harrington	Moorhead, Pa.	Smith, N.Y.
Hastings	Mosher	Staggers
Hechler, W. Va.	Moss	Stark
Heckler, Mass.	Murphy, Ill.	Steelman
Heinz	Murtha	Steiger, Wis.
Hicks	Natcher	Stokes
Hillis	Nedzi	Stratton
Holifield	Obey	Stuckey
Holtzman	O'Brien	Studds
Horton	O'Hara	Symington
Howard	O'Neill	Thompson, N.J.
Hungate	Owens	Thone
Johnson, Calif.	Patten	Tiernan
Jordan	Pepper	Towell, Nev.
Karth	Perkins	Traxler
Kastenmeier	Pickle	Udall
Kazen	Pike	Ullman
Kluczynski	Podell	Van Deerlin
Koch	Preyer	Vander Jagt
Kuykendall	Price, Ill.	Vander Veen
Kyros	Pritchard	Vanik
Leggett	Quie	Vigorito
Lehman	Railsback	Waldie
Long, La.	Rangel	Walsh
Long, Md.	Regula	Wampler
Luken	Reuss	Whalen
McClory	Rhodes	White
McCormack	Riegle	Widnall
McDade	Rinaldo	Wiggins
McFall	Robison, N.Y.	Wilson, Charles, Tex.
McKay	Rodino	
McKinney	Roe	Winn
Macdonald	Roncalio, Wyo.	Wolff
Madden	Rooney, Pa.	Wylie
Madigan	Rose	Wyman
Mallary	Rosenthal	Yatron
Mann	Rostenkowski	Young, Ga.
Maraziti	Roush	Young, Ill.
Mazzoli	Roy	Young, Tex.
Meeds	Roybal	Zablocki

NAYS—143

Abdnor	Fisher	Moorhead, Calif.
Alexander	Fountain	
Annunzio	Froehlich	Myers
Archer	Fuqua	Nelsen
Arends	Gettys	Nichols
Armstrong	Ginn	Parris
Ashbrook	Goldwater	Passman
Bafalis	Goodling	Patman
Baker	Green, Oreg.	Poage
Bauman	Gross	Powell, Ohio
Beard	Grover	Price, Tex.
Bennett	Gubser	Randall
Blackburn	Haley	Rarick
Bowen	Hammer-schmidt	Roberts
Breaux		Robinson, Va.
Brinkley	Hanrahan	Rousselot
Broomfield	Harsha	Ruth
Broyhill, N.C.	Hays	Satterfield
Broyhill, Va.	Henderson	Scherle
Buchanan	Hinshaw	Schneebeli
Burgener	Hogan	Sebelius
Burke, Fla.	Holt	Shipley
Burleson, Tex.	Hosmer	Shoup
Butler	Hudnut	Shuster
Byron	Hunt	Sikes
Casey, Tex.	Hutchinson	Snyder
Cederberg	Jarman	Spence
Chamberlain	Johnson, Colo.	Stanton, J. William
Chappell	Jones, N.C.	
Clancy	Kemp	Steed
Clausen, Don H.	Ketchum	Steiger, Ariz.
	Lagomarsino	Stephens
Clawson, Del	Landgrebe	Symms
Cochran	Landrum	Taylor, Mo.
Collins, Tex.	Latta	Taylor, N.C.
Conlan	Lent	Thomson, Wis.
Crane	Lott	Thornton
Daniel, Dan	Lujan	Treen
Daniel, Robert W., Jr.	McCollister	Veysey
	McEwen	Whitehurst
Davis, Wis.	Mahon	Whitten
Denholm	Martin, Nebr.	Wilson, Bob
Dennis	Martin, N.C.	Wydler
Derwinski	Mathias, Calif.	Young, Alaska
Devine	Mathis, Ga.	Young, Fla.
Dickinson	Mayne	Young, S.C.
Downing	Michel	Zion
Duncan	Miller	Zwach
Edwards, Ala.	Minshall, Ohio	
Eshleman	Montgomery	

NOT VOTING—63

Bevill	Hébert	Rogers
Boland	Helstoski	Roncallo, N.Y.
Camp	Huber	Rooney, N.Y.
Carey, N.Y.	Ichord	Runnels
Carter	Johnson, Pa.	Skubitz
Clark	Jones, Ala.	Slack
Clay	Jones, Okla.	Stanton, James V.
Collier	Jones, Tenn.	
Corman	King	Steele
Cronin	Litton	Stubblefield
Davis, Ga.	McCloskey	Sullivan
de la Garza	McSpadden	Talcott
Diggs	Matsunaga	Teague
Dorn	Mills	Waggonner
Dulski	Morgan	Ware
Esch	Murphy, N.Y.	Williams
Findley	Nix	Wilson, Charles H., Calif.
Flynt	Pettis	
Frey	Peyser	Wright
Griffiths	Quillen	Wyatt
Hansen, Idaho	Rees	Yates
Hawkins	Reid	

So the conference report was agreed to:

The Clerk announced the following pairs:

On this vote:

Mr. Corman for, with Mr. Hébert against.
Mr. Boland for, with Mr. Waggonner against.
Mr. Hawkins for, with Mr. Rogers against.
Mr. Yates for, with Mr. Teague against.
Mr. Murphy of New York for, with Mr. Bevill against.
Mr. Esch for, with Mr. Camp against.
Mr. McCloskey for, with Mr. King against.
Mr. Peyser for, with Mr. Huber against.
Mr. Rees for, with Mr. Johnson of Pennsylvania against.
Mr. Matsunaga for, with Mr. Quillen against.
Mr. Nix for, with Mr. Cronin against.
Mr. Carey of New York for, with Mr. Collier against.
Mr. James V. Stanton for, with Mr. Roncallo of New York against.
Mr. Rooney of New York for, with Mr. Jones of Alabama against.

Until further notice:

Mr. Clark with Mrs. Griffiths.
Mr. Clay with Mr. Helstoski.
Mr. Morgan with Mr. Flynt.
Mr. Dulski with Mr. Carter.
Mr. Davis of Georgia with Mr. Dorn.
Mr. Ichord with Mr. Findley.
Mr. Jones of Oklahoma with Mr. Hansen of Idaho.
Mr. Litton with Mr. Frey.
Mr. Stubblefield with Mr. Jones of Tennessee.
Mr. de la Garza with Mr. Slack.
Mr. Diggs with Mr. Reid.
Mr. Wright with Mr. Mills.
Mr. Charles H. Wilson of California with Mr. Runnels.
Mrs. Sullivan with Mr. McSpadden.
Mr. Steele with Mr. Pettis.
Mr. Ware with Mr. Skubitz.
Mr. Williams with Mr. Talcott.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill (H.R. 7824) just considered.

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

There was no objection.

DAY OF NATIONAL OBSERVANCE FOR 200TH ANNIVERSARY OF FIRST CONTINENTAL CONGRESS

Mr. DENT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 85) to proclaim October 14, 1974, a Day of National Observance for the 200th Anniversary of the First Continental Congress, and for other purposes.

The clerk read the Senate concurrent resolution as follows:

S. CON. RES. 85

Whereas the meeting at Carpenters' Hall in the City of Philadelphia in the Colony of Pennsylvania from September 5 to October 26, 1774, which has become known as the First Continental Congress, will have observed during 1974 its two hundredth anniversary; and

Whereas the actions of that Congress in uniting, for the first time, the thirteen disparate American Colonies to seek redress of their many grievances against the Parliament and King of England, set in motion a series of events leading to the meeting of the Second Continental Congress which produced the Declaration of Independence and guided the new Nation through the American War for Independence; and

Whereas the precedents set by the meeting of the first Congress in 1774 form the foundation upon which rest the principles and practices of the existing Congress of the United States of America; and

Whereas October 14, 1774, was the date on which the delegates to the first Congress adopted the Declaration and Resolves, expressing to the King of England their rights as Englishmen and their determination to achieve those rights, and is therefore, in itself, an historic date; and

Whereas on October 14, 1974, special ceremonies, sponsored by the City of Philadelphia, the National Park Service of the Department of the Interior and the American Revolution Bicentennial Administration, will be held at Carpenters' Hall in Philadelphia, Pennsylvania, to properly and appropriately observe for the Nation the two hundredth anniversary of the First Continental Congress; and

Whereas the two hundredth anniversary of the First Continental Congress marks one of the first historic commemorative events of the American Revolution Bicentennial celebration; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that October 14, 1974, be proclaimed a Day of National Observance for the Two Hundredth Anniversary of the First Continental Congress and calls upon the people of our Nation to fittingly observe and honor this important date in our country's history.

SEC. 2. That the President pro tempore of the Senate and the Speaker of the House be authorized to select, upon the recommendation of the respective majority and minority leaders, four Members of each House to represent the Congress of the United States of America at ceremonies in Carpenters' Hall, Philadelphia, on October 14, 1974, and to present at said ceremonies to a representative of the City of Philadelphia a copy of this resolution.

SEC. 3. That the expenses of the Members are authorized to be paid from the contingency funds of the Senate and House of Representatives as approved, respectively, by the Committee on Rules and Administration and the Committee on House Administration.

CXX——946—Part 11

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

There was no objection.

Mr. DENT. Mr. Speaker, I want the RECORD to show this resolution is sponsored by the entire Pennsylvania delegation.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FORD. Mr. Speaker, on May 1, 1974, on rollcall No. 198, I am reported as not voting. I was present, and was properly recorded as voting on all the other rollcalls. I voted "yea" on rollcall No. 198 and the machine apparently failed to record my vote. I would like the RECORD to so note.

PERSONAL EXPLANATION

Mr. GROSS. Mr. Speaker, on the bobtailed quorum call earlier this afternoon I was present and recorded my presence. I ask that the RECORD so show.

The SPEAKER. The gentleman's statement will appear in the RECORD.

LEGISLATIVE PROGRAM

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

Mr. RHODES. Mr. Speaker, I take this time to ask the distinguished acting majority leader if he is in a position to inform the House as to the program for the remainder of this week if any and the program for next week.

Mr. McFALL. Mr. Speaker, if the distinguished minority leader will yield, there is no further legislative business today, and upon announcement of the program for next week I will ask unanimous consent to go over until Monday.

The program for next week is as follows:

On Monday we will have the Consent Calendar, and there are no bills under suspensions.

We will have H.R. 14592, military procurement authorization, under an open rule with 4 hours of debate. On that we will take general debate only on Monday.

On Tuesday the House will receive former Members at 11 a.m., and then we will have the Private Calendar and the following suspensions:

H.R. 12526, Rural Electrification Guaranteed Loan Program Amendments;

H.R. 13834, Standby Energy Emergency Authorization Act; and

H.R. 14225, Rehabilitation Act Amendments.

Then the House will continue consideration of H.R. 14592, the Military Procurement Authorization that we began on Monday. We hope to vote on amendments and the bill.

On Wednesday and the balance of the week we will consider H.R. 14449, the Community Services Act, subject to a rule being granted.

Following that will be H.R. 14832, Temporary Increase in the Public Debt Limitation, subject to a rule being granted.

Then we will consider H.R. 14462, Oil and Gas Energy Tax Act, subject to a rule being granted.

Conference reports may be brought up at any time and any further program will be announced later.

I also wish to call to the attention of the House that the House will recess for Memorial Day from the close of business on Thursday, May 23, until noon Tuesday, May 28.

Mr. RHODES. Mr. Speaker, if the gentleman will allow me to propound a question, on Tuesday there will be three suspensions. Is it the intention of the majority to proceed with those suspensions to passage, and if not, postpone final vote until the end of the day?

Mr. McFALL. They will be voted on as they are considered.

ADJOURNMENT TO MONDAY, MAY 20, 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet on Monday next.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

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

There was no objection.

CIVILIZED WORLD HORRIFIED BY ACTIONS OF TERRORISTS IN ISRAEL

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

Mr. O'NEILL. Mr. Speaker, on behalf of the minority leader, the gentleman from Illinois (Mr. YATES), and over 307 of my colleagues, I am today introducing a resolution condemning the most recent Arab terrorist raid into Israel—a raid in which innocent children suffered injury and death.

There is little that one can say to convey the horror of this raid. It shocked the entire civilized world.

The United States is currently trying to help bring peace to the Middle East. But peace will be impossible if the countries in the region are not able to restrain those fanatics who see fit to express their grievances by slaying children. Peace will be impossible if Israel is not assured of

her territorial integrity, assured that she is secure from terrorist attack.

It is time that the U.N. rededicated itself to the ideal of promoting peace that was the reason for its creation. The U.N. would do well to start along this course by taking action against terrorist attacks such as this one. And the U.N. cannot pursue peace by applying a double standard to Arab raids against Israel.

In the interest of peace, we must condemn the latest Arab terrorist intrusion against Israel. We owe at least this much to those children who lost their lives.

The resolution follows:

RESOLUTION

Whereas Arab terrorists have threatened the lives of 90 Israeli school childen; and

Whereas these cruel and heartless acts only exacerbate tensions in the Middle East at a time when very serious efforts are being made to negotiate a lasting peace; and

Whereas such acts of violence are an affront to human decency and standards of civilized conduct between nations; Now, therefore, be it Resolved, That it is hereby declared to be the sense of the House that—

(1) it most strongly condemns this and all acts of terrorism;

(2) the President and the Secretary of State should and are hereby urged and requested to (a) call upon all governments to condemn this inhuman act of violence against innocent victims; and (b) strongly urge the governments who harbor these groups and individuals to take appropriate action to rid their countries of those who subvert the peace through terrorism and senseless violence.

(3) the President should request the American Ambassador to the United Nations to take appropriate action before that body in order to have introduced a Security Council resolution condemning this brutal act of violence.

U.S. EXPORTS OF COAL AND COKE

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

Mr. HECHLER of West Virginia. Mr. Speaker, at a time when coal is critically in demand to meet the Nation's energy needs, and the hills of Appalachia are bleeding from the ripping and raping by the strip miners, the United States is rapidly increasing its exports of coal.

Did you ever hear of anything so crazy as stepping up the exports of coal, at a time when we are suffering more and more damage from strip mining?

Listen to this statement by the National Coal Association:

Total U.S. exports of bituminous coal in the first quarter of 1974 increased 18 percent from shipments in the same period of 1973. . . . Japan, the largest consumer of American coal, took 5.7 million tons of U.S. bituminous coal in January-March, 1974; up 31.1 percent from the like period of 1973.

The House Interior Committee has just reported out a woefully weak strip mine regulation bill. The strip miners say they have to keep on ripping up our own land *because* we need the coal. Then why in (expletive deleted) are we shipping coal to Japan and Europe, so they can save their own land while we destroy ours? The exporters say this is metallurgical coal used in steel production. But the president of the American Iron and Steel Institute, Stewart S. Cort, testified on April 25, 1974, before the House Committee on Banking and Currency that the steel industry is hurting because of a severe shortage of metallurgical coal for the manufacture of steel. Mr. Cort stated that "the supply situation has become critical."

I urge my colleagues to support my bill, H.R. 11695 which prohibits the export of American coal, except to Canada, from whom we import oil. I am shocked to discover that we continue to export coal while continuing to destroy our own land by strip mining.

The statement follows:

U.S. EXPORTS OF COAL AND COKE

Total U.S. exports of bituminous coal in the first quarter of 1974 increased 18 percent from shipments in the same period of 1973, although for the month of March, shipments fell 5.9 percent from the same month a year ago. In January–March 1974, exports of U.S. bituminous coal totaled 10.6 million net tons, of which 391,362 tons were shipped to Canada and 10.2 million tons went to overseas destinations.

Japan, the largest consumer of American coal, took 5.7 million tons of U.S. bituminous coal in January–March 1974, up 31.1 percent from the like period of 1973. Exports to Europe were 3.8 million tons in the first quarter of 1974, compared with 3.4 million tons in January–March 1973. All of the European Community nations, except Belgium-Luxembourg, took more American coal in January–March 1974 than in the corresponding period of the previous year. A total of 542,569 tons of U.S. bituminous coal were also exported to South America in the first quarter of 1974, up slightly from shipments in January–March 1973.

The value of U.S. bituminous coal exports in January–March, including transportation charges to ports of exit, totaled $261.8 million. Anthracite exports were valued at $1.9 million; coke shipments at $8.7 million; and exports of lignite and lignite briquets were valued at $1.5 million.

U.S. EXPORTS OF BITUMINOUS COAL [1]

[Net tons]

Destination	January to March 1974	January to March 1973	Percent change
Canada	391,362	551,126	−29.0
South America	542,569	541,553	+0.2
European Economic Community:			
Belgium-Luxembourg [2]	210,889	269,944	−21.9
France	464,007	352,495	+31.6
Germany (West) [2]	534,258	465,096	+14.9
Italy	957,223	705,086	+35.8
Netherlands [2]	688,008	465,684	+47.7
United Kingdom	243,257	237,077	+2.6
Total EEC	3,097,642	2,495,382	+24.1
Greece	40,767		
Norway	35,652	28,539	+24.9
Portugal	76,628	117,800	−35.0
Romania	37,092	23,862	+55.4
Spain	373,836	645,784	−42.1
Sweden	92,657	81,058	+14.3
Yugoslavia		36,732	
Total Europe	3,754,274	3,429,157	+9.5
Japan	5,747,092	4,385,552	+31.1
All Others	183,860	92,471	+98.8
Grand total	10,619,157	8,999,859	+18.0
Excluding Canada	10,227,795	8,448,733	+21.1

[1] Excludes shipments to U.S. military forces.
[2] Shipments as indicated in vessel manifests upon departure U.S. ports, and include tonnage for transshipment to undesignated destinations.

Source: Division of Fossil Fuels, U.S. Bureau of Mines.

FEDERAL EMPLOYEE ADMINISTRATIVE HEARING RIGHTS GUARANTEE ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, on April 16, 1974, the U.S. Supreme Court handed down its decision in Arnett against Kennedy. It is but the latest in a line of cases dealing with the problem of termination or suspension of Federal employees in the competitive service. These cases are noted primarily for their failure to answer the important and ultimate question whether Federal employees have a protected right to their jobs after completing the probationary period, that is, whether they can be terminated or suspended without a prior hearing on the merits. The opinion in Arnett against Kennedy is similarly ambiguous on the question and offers little hope for a person looking for a clear statement of his rights.

The courts are not entirely to blame. The law is unclear because Congress has not acted unequivocally regarding pretermination hearings. There is no statute which clearly mandates executive agencies to promulgate uniform regulations in the area. The law as it now stands leaves the whole matter of pretermination hearings for Federal employees up in the air and opens the door to agency abuse of employees who in good conscience criticize agency procedures or disclose agency wrongs and coverups.

There are well known cases: for instance, those of Ernest Fitzgerald and Gordon Rule, employees of the Federal Government who have spoken out, been fired, and eventually won their rights to back pay and reinstatement.

These cases, however, have involved employees in difficult fights and drawn out period without pay. Some agencies grant pretermination hearings; but many others do not. In those an employee must suffer without pay while he is waiting to be heard. For sure, our veterans now have a preference right to a hearing before termination, and some Federal employees, through contract, have a similar right. Many others, though, are without this fundamental protection.

Mr. Speaker, for these reasons, I am today introducing a bill called the Federal Employee Administrative Hearing Rights Guarantee Act. The purpose of this legislation is to guarantee all employees in the competitive service a prompt evidentiary hearing by an impartial individual prior to the time that removal or suspension without pay is effective. The bill declares that certain minimum protections are due such an employee before termination or suspension, among them, the right to see the evidence supporting the action and to have a transcript of the proceedings.

I share the opinion of the many unions representing Federal employees who have contacted me—among them the National Treasury Employees Union and the Overseas Education Association—that it is time for congressional action on this problem. As long as Congress continues

to allow the agencies to promulgate their own regulations on the subject, Federal employees will not be protected against arbitrary and capricious dismissal for speaking out. The public interest is badly served by stifling creative criticism from employees of our Government.

JENNY'S MESSAGE

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

Mr. HARSHA. Mr. Speaker, earlier this month I had the great pleasure of meeting one of my most charming constituents, 3½-year-old Jenny Barlage of Chillicothe, Ohio. It is not often that a constituent of such a young age has met with me on matters of important business, but Jenny's business and Jenny's message are ones which involve millions of Americans.

Jenny is this year's poster child for the National Association of Hearing and Speech Agencies. She and her family came to Washington recently to bring to the country's attention the fact that May is National Better Hearing and Speech Month. Jenny and her story symbolize the importance and the inestimable value of early detection of and professional help for hearing and other communication disorders.

Jenny's story is one which follows this pattern. Her parents, Mr. and Mrs. Henry Barlage, became concerned over Jenny's seemingly slow speech development, behavior problems, and lack of response to voices or sounds behind her back. This prompted them to seek professional help. They found that help for Jenny at the South Central Ohio Speech and Hearing Center in Chillicothe where her hearing problem was diagnosed and treatment begun. So far, a year's worth of speech and language therapy from this outstanding center has been so successful for Jenny that perhaps the only way one would suspect she had any impairment whatsoever would be by the small hearing aid she must wear. By helping Jenny's hearing problems in this way at an early age, the side effects of delayed emotional and language development have been minimized.

Jenny's message is that the month of May is one for listening. Listen to the facts that defective hearing is America's No. 1 handicapping impairment. There are 22 million Americans with hearing disorders; over 3 million of whom are school-age children who can be helped. In fact, it has been estimated that nearly 90 percent of all disabling hearing losses can be improved significantly by medicine, surgery or amplification. The problem is compounded, Jenny says, by the fact that many of these people do not know or believe their hearing disabilities can be helped. Jenny Barlage is there to show them they can.

Jenny is also asking Americans to listen to another message: If you have no hearing difficulties, abide by good listening rules of avoiding as much noise pollution as possible to protect this valuable sense. If you have children like Jenny, watch for early detection signs of hearing and speech impairments. The sooner any problems are detected and treated the better their chances for normal and happy development. Just ask Jenny Barlage, she will tell you.

PUERTO RICO'S MATURING STATUS

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

Mr. BURTON. Mr. Speaker, I should like to bring to the attention of the Members of this House an important May 10, 1974, article in the Christian Science Monitor about Gov. Rafael Hernández Colon's April 27, 1974, testimony before the Joint Ad Hoc Advisory Group appointed by the President of the United States and the Governor of Puerto Rico to consider the future developments of Commonwealth.

As chairman of the Territories Subcommittee, I want personally to assure the people of Puerto Rico that the recommendations of the Ad Hoc Advisory Group will be promptly and carefully considered by the subcommittee.

Governor Hernández Colon has obviously given a great deal of thought to improving the concept and implementation of Commonwealth. For this reason, the Christian Science Monitor was quite prescient in taking favorable editorial note of the Governor's testimony.

PUERTO RICO'S MATURING STATUS

All United States federal legislation, under current procedure, automatically applies to Puerto Rico unless the Caribbean island is specifically exempted. Puerto Rico's Gov. Rafael Hernandez Colon wants to change this excluding the island unless it is purposely written into legislation before Congress.

This is only one of a number of steps that Governor Hernandez Colon mentions as "needed revisions" in the commonwealth arrangement under which Puerto Rico is linked to the U.S. These revisions add up to a plea for "local control over matters fundamentally local in nature."

They amount to a call for greater self-government, more autonomy for the sun-drenched island in the Caribbean. But Governor Hernandez Colon is quick to say he wants no loosening of ties with the U.S. Those ties, he said recently, are "a unique experience in interdependence . . . many decades ahead of its time."

The overwhelming majority of Puerto Ricans, at least 95 percent, favor retention of the ties. But this majority also supports revisions in the arrangement and Governor Hernandez Colon is obviously on solid ground when he makes his new plea. If implemented, the changes he seeks would recognize the vastly different requirements of Puerto Rico and the U.S. Economic differences, for example, between the crowded, resource-poor island with 875 people per square mile and a huge, wealthy continental nation with only 57 people per square mile result in dissimiliar problems and solutions.

Without representation in Congress, Puerto Rico has long found that many decisions produce policies which, while beneficial to the mainland, are inadvertently detrimental to the best interests of the people of Puerto Rico. For this reason, there is much logic in what Governor Hernandez Colon seeks. The ad hoc U.S.-Puerto Rico committee now looking into the commonwealth arrangement ought to weigh his words carefully and come up with recommendations aimed at meeting the problems he mentions.

TERRORIST ACTIVITIES IN THE MIDEAST

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

Mr. KOCH. Mr. Speaker, the killing of 25 Israeli children and injury of 70 more is an act of inhumanity so monstrous that it places into question the very meaning of the word human. As Prime Minister Golda Meir so eloquently said: "War cannot be fought on the backs of our children." The massacre yesterday at Maalot is the worst in a series of Arab terrorist assaults, encouraged by the countries and effectively sanctioned by the so-called civilized nations of the world. How much longer will the world let these wanton terrorists, who have no regard for the basic decencies of humanity, murder the children of Israel? With every incident, the killings become more abominable, and yet the world sits by and does nothing except intone hollow words of shock. These utterances raise a cacophony that rings throughout the world but fails miserably to respond to the barbarism of the Arab terrorists. The chiefs of state will send their pious condolences, but the Security Council will do nothing to condemn the terrorist actions or constrain the Arab terrorists. Indeed, it is the civilized world, including the United States, that must share in the responsibility of the loss of young lives at Maalot yesterday. When the Security Council by its action on April 25 condemned Israel for its reprisal action but refused to denounce the killings of 18 Israelis in Kiryat Shemona by terrorists based in Lebanon precipitating the reprisal, it gave license to future Arab terrorist killings. Furthermore, of the 150 Arab terrorists who have been arrested in Europe during the past 5 years, all but 9 have been released.

Is the world really so helpless that it cannot respond to the brutal inhumanity of so relatively few people? I say we can respond, and we must respond if we are to rid the world of this vermin and open the way to peace in the Middle East. During the past week Secretary Kissinger has been shuttling between Damascus and Tel Aviv trying to force a peace for the Middle East. But, his efforts will be futile if the Arab countries do not stop the Arab terrorists who find refuge and support in their countries. Time and again Israel has appealed to her Arab neighbors to take measures within their own countries to eliminate the destructive activities of the Arab terrorists. These governments have repeatedly ignored these requests, and have given the terrorists financial, political, military and moral support—indeed, have extolled them as heroes.

The Washington Post in an editorial today, commented on what Israel will and must do:

For Israel to retaliate will not, unfortunately, repair its grievous loss. Nor can there

be a certainty that retaliation will hurt those actually responsible. The Israelis have long hoped that reprisals in Lebanon would induce the Lebanese to put tighter controls on resident guerrillas. But there is little evidence that this approach has worked. At the same time, the evidence is that without retaliation, terrorists would be emboldened to launch even greater operations from Lebanon.

I concur.

WHY OUR BROADCASTERS NEED PROTECTION

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

Mr. VAN DEERLIN. Mr. Speaker, it is ever more glaringly apparent that our broadcasters are in need of protection—not from the people, but from the White House.

During debate in this hall 2 weeks ago on the radio/TV license renewal legislation, much of the discussion centered on relations between broadcasters and the communities they purport to serve. The question is often asked, what rights or obligations should the public have in challenging renewal of broadcast licenses ostensibly held in the public trust?

Many broadcasters have testified that community groups pose a potential threat to their livelihood, and could undermine the stability of their industry.

But the real threat, it now becomes clear, lies elsewhere.

This morning's Washingon Post contains a graphic account of how the President and two key advisers, H. R. Haldeman and John W. Dean III, talked of "paying back" the Post for its early revelations in the Watergate affair. The story charges:

> Specifically, the discussion involved the desirability of using against the newspaper the Federal Communications Commission's power to license broadcast stations.

The conversation was said to have taken place September 15, 1972. It was edited out of the Watergate transcripts released last month by Mr. Nixon but reportedly included among the tape recordings subsequently turned over the Judiciary Committee.

Two months after the President and his key aides talked of retaliation against the Post, at least four challenges were filed against renewal of licenses held by two Post-Newsweek stations, WPLG–TV in Miami and WJXT–TV in Jacksonville. Prominent friends and supporters of the administration figured in some of the challenges.

One would have to be naive, I think, to accept this chain of events as mere circumstance.

For this particular scenario is unfortunately typical of the way the White House sets out to get its enemies in the news media and elsewhere. Incidentially, the challenges against the two Post-owned stations in Florida are still pending, so this issue is by no means resolved.

What is deeply disturbing here is the seeming willingness of the White House to subvert an independent regulatory agency like the FCC.

This is the agency that deals with the—perhaps the most sensitive area of all—communications. Here we are not talking about some tangible product, but about ideas and attitudes—far more volatile and fraught with peril politically.

They muscled in, in an apparent effort to tip or at least threaten to tip the regulatory balance against offending broadcasters. Or, as in the case of the Post, to get at newspapers it dislikes by striking at their broadcast properties.

For some time now, the White House has had it in for network news operations.

Many of us recall the Indianapolis speech of December 1972, by Clay T. Whitehead, then Director of the President's Office of Telecommunications Policy. Mr. Whitehead was brutally frank. He let it be known, in no uncertain terms, that network affiliates might risk loss of their licenses if they did not exercise more control over network news operations.

Then there was the singular action of Dean Burch on November 4, 1969, when, as the brandnew FCC Chairman, he pointedly asked the three TV networks for transcripts of the analyses with which they had closed a Presidential speech on Vietnam policies. According to court affidavits, Mr. Burch explained at the time he was complying with a request from the White House, in zeroing in in this fashion.

More recently, CBS has gone to court to report explicit threats directed at Dr. Frank Stanton, a network executive, and correspondent Dan Rather by past and present White House staffers Charles Colson, John Ehrlichman, and Ronald Ziegler.

And who can forget the antimedia histrionics of our former Vice President?

Broadcasters better wake up, before it is too late, in identifying their real "enemy." It is not the citizen groups.

THE LATE CARL THOMAS DURHAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina, (Mr. FOUNTAIN) is recognized for 60 minutes.

Mr. FOUNTAIN. Mr. Speaker, I rise to pay tribute to the memory of the late Carl Thomas Durham, who so ably represented the Sixth Congressional District of the State of North Carolina in this House.

In thinking of the fruitful life and productive work of this man, I am reminded of a thought-provoking statement written by Joseph Addison in the Spectator:

> If I can any way contribute to the diversion or improvement of the country in which I live, I shall leave it, when I am summoned out of it, with the secret satisfaction of thinking that I have not lived in vain.

Mr. Speaker, I am confident that Carl Thomas Durham, who contributed so richly to the well-being of his State and Nation during a lifetime of dedicated public service, shared that satisfaction. His life was, indeed, full and worthy, and he has left a lasting and distinguished legacy to the American people.

Carl Durham served in the Congress for 22 years, encompassing two of the most momentous decades in American and world history, marked by the Second World War and its aftermath, and by the coming of age of atomic power as a crucial factor in the life of the globe.

He served twice—in the 82d and 85th Congresses—as chairman of the Joint Atomic Energy Committee and three times—in the 81st, 84th, and 86th Congresses—as vice chairman. At the time of his retirement he was the third Democrat in seniority on the House Armed Services Committee.

His life-long concern was for the security of America in a world troubled by war and rumors of war. At the same time he recognized and championed the cause of civilian control and direction for the immense potential in the Nation's atomic energy resources. Time and history have indicated his leadership and his immeasurable service to the Nation.

Carl Durham was elected to the 76th Congress in 1938, representing the old Sixth District of North Carolina. In that election the Democratic nominee died 12 days before the general election. Carl Durham was selected by the District Democratic Congressional Committee to take the place of the deceased nominee. He served with such great distinction that he was elected to no less than 10 succeeding Congresses until his voluntary retirement from public service in 1961.

He became a member of the Joint Committee on Atomic Energy when it was established in 1946. He and the late Senator O'Brien McMahon are widely credited with influencing President Truman's historic decision to develop the hydrogen bomb. He was a leader in the victorious congressional battle to establish the Atomic Energy Commission as a civilian agency in keeping with American traditions of ultimate civilian responsibility and authority.

Born in Orange County in 1892, he graduated in 1917 from the University of North Carolina, where he had majored in pharmacy. During the great war he served as a pharmacist's mate in the U.S. Navy. After the war, he settled in his beloved Chapel Hill and engaged in the practice of pharmacy. His political interest developed in this period, and he served on the Chapel Hill City Council and the district school board. He was also elected a city commissioner.

Much loved by the people of his community, Durham was an ideal choice for the situation created by the passing of the regular Democratic nominee in 1938. When he retired in 1960, filled with years and with the wisdom that comes from experience, he returned to the people of the State he loved and which he had served so well, and to the town of Chapel Hill in the district I have the honor to represent, where his notable career had begun. It was a serene and dignified close to a life of service, a life which no man can fully or adequately measure.

On the Armed Services Committee he was ever a vigorous advocate of American strength, believing that the best defense for lasting peace is the maintenance of a powerful military deterrent.

At the same time he was a tireless supporter of the cause of peace, and sought international cooperation in the development of peaceful uses for nuclear energy in behalf of all mankind. He was a key figure in the passage of the Euratom Act in 1958, which made possible joint measures by this country and the European nations looking toward the peaceful development of nuclear energy in ways which would serve the well-being of humanity. In our day the importance of this act, in terms of nuclear power and the petroleum crisis, can hardly be exaggerated.

With all of these and other achievements, Carl Durham retained the modesty and humility which had always been characteristic of his life. He preferred to work quietly in this House through the established channels of committee and cloakroom. Of him it could be said:

There is one that keepeth silence, and is found wise (Ecclesiasticus 20:5).

His advice and counsel were widely sought and respected even after he had retired from Congress, and he could say with Job:

Men . . . kept silence at my counsel (Job 29:21).

Indeed, he continued to follow public affairs with keen and unflagging interest.

His passing is truly a great loss to me personally, to the constituents he loved and served, to the people of Chapel Hill and the many students and faculty of the university, to his State, and to the Nation. Integrity and statesmanship are two qualities not always found together. In him they were happily blended.

To his wife and children I convey my own deep sympathy in their and our loss, knowing that they are comforted and strengthened in a troubled time by the memory of his life and work. His memorial is written in the Book of Proverbs:

The memory of the just is blessed (Proverbs 10:7).

Mr. Speaker, at this point I would like to include two articles published by the Chapel Hill newspaper concerning our departed colleague, Carl Thomas Durham:

CARL DURHAM STOOD AMONG THOSE GIANTS

When you look at today's Washington with its poisoned political air and the issue of impeachment hanging incredibly over the nation's capital, you can appreciate all the more the kind of Congressman Carl Durham made us.

In twenty-two years in the House of Representatives, no hint of scandal ever touched him. Some might have faulted him for his plain and rambling oratorical style and his political charisma, which compared with that of a comfortable old shoe. But no one ever questioned that plain and simple honesty and flinty integrity. Some mistook his quiet and thoughtful approach to congressional positions for plodding and indecision, and his reluctance to yield, once a position had been taken, for muleheadedness. But that was simply his way. To him, it was the substance not the style that mattered. He was incapable of glibness and political doubletalk, and as a result there was never any doubt as to where he stood. Once he knew which way he was going to go, then you knew, and that was that. Lobbyists, political leverage, and other pressures were totally lost on him as he arrived at his own solemn judgment. And that judgment invariably was rooted in what he thought was right—for his own constituency, for North Carolina, and for the country, never for his own political comfort.

Carl Durham would have been an anachronism in today's political scene for several reasons. Take his campaigns for re-election, if you could call them that. His atttitude was worse than casual; it seemed to be downright indifferent. Here his challenger would be hustling all over the district (the old Sixth, embracing Durham, Orange, Alamance, and Guilford) speechifying, shaking hands, stoking barbecue, and generally doing those things expected of a supercharged campaigner. The Congressman usually responded with a front-porch effort. He would come down from Washington when congressional work permitted, amble about the District saying howdy if he felt the urge, and let it go at that.

His campaign style was often unsettling to his supporters. In one re-election bid, when many figured he was faced with a serious challenge, a group of the faithful in Durham raised $20,000, a substantial sum in those days, for a campaign war chest. The Congressman didn't touch the money, and won going away.

In another season, organized labor, which never counted Carl Durham as a dear friend, talked Uncle Ralph Scott, the plain-spoken State Senator from Alamance, into challenging the Congressman. Uncle Ralph's brother Kerr was a United States Senator at the time and he offered a helping hand. He sent down one of his staff members to organize Uncle Ralph's campaign and otherwise lent his considerable influence and Senate resources to beef up the challenge. On the face of it, this figured to be Carl Durham's most serious reelection test. When he finally got around to it, the Congressman mounted his usual non-campaign and literally stomped poor Uncle Ralph.

The Congressman never broke a sweat seeking re-election, taking the position that people knew who he was and what he stood for. If they wanted him to continue, fine; if they didn't, well that would be all right too. The secret to his unbroken string of successes was that people trusted him. They knew him to be a man of great character. They knew they could count on him to do the right thing as he saw it, which happened usually to be the way they saw it too. He never once betrayed their trust, and that's why the people kept on sending him back to Washington term after term until he finally decided to call it a day.

There were giants in Congress in those days—Sam Rayburn, Muley Bob Doughton, Bob Clark—and Carl Durham was one of them. We look at the congregation up there now and wonder where they all went.

Once out of it, Carl Durham turned his attention to the place he had always loved best, Chapel Hill. He had all those rich memories and he worried like the rest of us about where the country was headed, but he never looked back with longing. He had done what he set out to do and he had done it uncommonly well. In his winter years he was, as much as anyone we have never known, a man completely fulfilled.

CARL DURHAM POSSESSED AFFECTION, RESPECT

Carl Durham was a native of the White Cross community six miles west of Chapel Hill, the oldest of nine children born to Claude and Delia Ann Lloyd Durham. He was born Aug. 28, 1892, in the house his great-great-great-grandfather, Matthew Durham, built in 1734 when he moved from New England to settle on the plantation near the Haw River.

Mr. Durham was reared in a farm family amidst four-cent cotton and in his boyhood days split crossties and harvested wheat with a cradle. He attended White Cross School and then Manndale Academy at Saxapahaw where he played on the first high school football team in the state. He also pitched and played first base on the baseball team.

In the summer of 1913 he moved to Chapel Hill to work at Eubanks Drugstore. Preparing to enter the University in 1915, he borrowed $50, thinking "it was an awful lot of money. . . ." To pay his way through the University he kept up with his $20 a month job in the drugstore and supplemented that salary waiting on tables at the University Inn. As a student at Carolina he was vice-president of his pharmacy class and a member of Kappa Psi pharmacy fraternity.

IN NAVY

On New Year's Day, 1918 he enlisted in the Navy, serving as a pharmacist's mate in the Navy Hospital Corps for the final period of World War I. He was released on Christmas Eve that same year. Less than a week later—on Dec. 30, 1918, he married Margaret Joe Whitsett of Guilford County, and began his professional career as a pharmacist for Eubanks Drugstore in Chapel Hill.

The Durhams had five children: Celia (Mrs. Gregg Murray) who died in 1971; Mary Sue (Mrs. Willard Sessler of Asheville), Carl Durham Jr. of Wilmington, Peggy (Mrs. Joe Thomas Wall of Chapel Hill) and Ann Durham Wyatt of Durham. Mrs. Durham died on Jan. 10, 1953. On June 8, 1961, he married Mrs. Louise Ashworth Jefferson of Chapel Hill. They have between them eight children and 26 grandchildren.

Mr. Durham quickly became a leader in community affairs of Chapel Hill. He had helped organize the Men's Bible Class at University Baptist Church in 1914 and been its president, as well as a deacon in the Church. He was a member of the Chapel Hill Board of Aldermen 1921–30 and on the Chapel Hill School Board 1924–38, and served eight years on the Orange County Board of Commissioners. He was also a charter member of the White Cross Junior Order of United American Mechanics, a member of University Lodge No. 408 of Masons in Chapel Hill, and a charter member and Commander of Chapel Hill Post No. Six of the American Legion.

Chapel Hill Weekly Editor Louis Graves wrote of him in 1937: "When two citizens of Chapel Hill get into a discussion about some community enterprise or affair—like the school for example, or street improvement, or the public health or unemployment—before they get through, one of them is more than apt to say 'What does Carl Durham think about it?' Carl Durham possesses the affection and respect of Chapel Hill to a remarkable degree. Absolute integrity, an ever lively public spirit, sound judgment, kindliness to all comers, no matter what their station, an utter simplicity in speech and manner—these qualities have endeared him to everybody in the village. . . . He just wants to give all the help he can. No man was ever more faithful to the ideal expressed in the words: Public office is a public trust."

He was elected to the UNC Board of Trustees in 1937 and served many years. His alma mater honored him in 1958 with an honorary doctorate of laws.

Politics was an avenue to public service for Carl Durham. He had served on the State Democratic Executive Committee and managed the Congressional campaigns in Orange County of Frank Hancock of Oxford and William Umstead of Durham.

Umstead's retirement at the end of his term in 1938 was the beginning of Mr. Durham's Congressional career.

He was familiar with the "New Deal" even before going to Washington. Mr. Durham was Chairman of the Orange County Board of Commissioners three years before the Rural Electrification Act was passed in 1935. He proposed and won $22,000 federal aid in the

depths of the depression for a rural electrification line in the Calvander-Orange Grove area of Orange County—the first rural electrification project in the country.

An extraordinary chain of events led him to Congress. Judge Lewis Teague of High Point, the Democratic nominee for Congress, died 12 days before the general election of Nov. 8, 1938. There was no Republican candidate. Teague had defeated Oscar Barker of Durham by a slim margin in a second primary election that spring.

DEADLOCKED

The party's executive committee—one member each from the four counties of the old Sixth District—Durham, Orange, Alamance, and Guilford Counties—met in Greensboro all day on Halloween, Oct. 31. They were completely deadlocked, first on personalities, then as to what section of the district they should consider for their choice.

On the morning of the second day of their secret deliberations in the Guilford County Courthouse a movement started in Chapel Hill in behalf of Carl Durham. Mr. Durham himself later related in this way:

"I was swatting flies in the drug store window and looked up and saw Umstead (Orange County Rep. John W. Umstead Jr.) coming in the door. He asked 'Do you want to go to Congress?' 'What kind of liquor have you been drinking?' I said."

In the meantime Mr. Umstead and another local political wheel-horse, Frederick O. Bowman, had contacted an Alamance County friend and also wired their suggestion to the Orange County member of the nominating committee in Greensboro, UNC Journalism Prof. Oscar J. (Skipper) Coffin, who shortly presented Durham's name for the first time as "the best citizen in the Sixth District." At 4 p.m. the committee unanimously nominated Mr. Durham.

Mr. Durham learned of his appointment, to his surprise, when called by a Greensboro Daily News reporter late that afternoon. Editor Graves called his selection "the most dramatic incident in the field of politics in the history of Chapel Hill. Mr. Durham was not just a dark horse—he was super-dark. His name was not even mentioned until the second day of the troubled deliberations." An hour after learning of his nomination, though, Mr. Durham was still at work in Eubanks Drugstore, filling prescriptions and mixing sodas.

TO CONGRESS

John Umstead came into the store with a typed acceptance statement for him to sign. Mr. Durham agreed to serve for one term. As Umstead left the Congressman-nominate told him "Wait a minute—the least I can do is give you three cents for postage on that acceptance letter." Mr. Umstead laughed and accepted the pennies as he headed for the post office.

Thus Mr. Durham went to Congress for the first of his 22 years and 11 terms without a campaign. He had never been defeated in a political contest to that time and he never was later. Though he had serious opposition for re-election several times, he also ran twice with no opposition at all. In the few days after his selection in 1938 and before the general election some people started a write-in campaign for Oscar Barker, the runner-up to the deceased Teague, but it didn't develop significantly. So Carl Durham went to Washington on New Years Day, 1939, to accept the oath of office as a member of the 76th Congress. He noted later that he returned to the capital city 20 years after going there as a naval volunteer in World War I—when President Franklin D. Roosevelt, then Assistant Secretary of the Navy, was also his "boss."

Shortly after becoming a Congressman, when he returned home for the weekend, he was asked how he liked his new $10,000 a year job. "I like it fine," he replied, "but of course I'm used to drudgery."

In Washington Mr. Durham quickly made friends with another freshman Congressman, Lyndon Johnson of Texas, and both became charter members of the Joint Atomic Energy Committee in 1945.

Although generally considered a conservative, Rep. Durham through the years voted for more liberal measures than most of his fellow Tar Heel Congressmen. His four-county Piedmont North Carolina district was the most urban and largest in population in the state. The Congressman noted frequently that it was "the best educated," too, in that it had 10 colleges within its borders, a fact he also held to be a record.

As his first term drew to a close, Carl Durham was making a good record as a neophyte Congressman. House Speaker William Bankhead of Alabama said of him, "He has by his modesty and efficiency endeared himself to all of those who have worked with him in Washington." In Chapel Hill three of his friends, banker W. E. Thompson, druggist Clyde Eubanks, and UNC Medical School Dean Dr. Wm. B. Mac Nider got together to become his first campaign committee. They published a modest pamphlet urging his reelection "as a man of conscience, charity, capacity and courage . . . the type of man we want to represent us in Washington now and for a long time to come."

Rep. Durham gained a reputation as a "champion non-campaigner." John Umstead said of him, "Carl didn't make many speeches and I doubt if he kissed one baby in the 22 years he was in Congress, but he was never too busy to listen to somebody from his district." The Congressman himself said he campaigned in his own way: "I go to a lot of homecomings and family reunions." A friend suggested "this noiseless type of campaign seemed to suit him best."

From his earliest days in Congress. Mr. Durham generally supported President Franklin Roosevelt's "New Deal" programs. In the popularly pacifistic era of the late '30s he supported revision of the Neutrality Act and was a partisan of military preparedness as a member of the House Military Affairs Committee.

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Mr. SIKES. Mr. Speaker, it is with a deep sense of loss that I join this tribute today to the late Carl Thomas Durham, of North Carolina, with whom I served on the Armed Services Committee and with whom I was privileged to work closely during his distinguished service in this Congress.

When I came to Congress in 1941, one of the first men I met was Carl Durham. I quickly grew to respect him. He had come to Congress 2 years before and already he was in the forefront of those who were helping in the great effort to strengthen America's defenses in the hectic period just prior to World War II. During the entire period of World War II, and indeed throughout his service in Congress, Carl Durham gave freely of himself to help insure a strong, free, and independent America. He worked for the weapons we needed during time of war. In the tense peace which followed, he was equally concerned that we should remain strong in the face of the Soviet threat.

He had a long and distinguished career of public service, first serving as a member of the Chapel Hill City Council, then on the Board of County Commissioners of Orange County, and finally on the school board of Chapel Hill before coming to Congress.

Carl Durham's services in the Congress were sound and noteworthy. He was conscientious in his efforts to do the things

that were best for America and right for those he served. None here could do more than Carl Durham to bring credit to the Congress and to himself.

Mr. PERKINS. Mr. Speaker, it was my privilege to serve in the House for 12 years with Carl T. Durham before he retired in 1961.

The description of Carl Durham that occurs most readily to me is that he was a man of principle. The House was never under any misunderstanding about where he stood, or why he stood there.

He was conservative in the sense that the Founding Fathers were conservative. But he was never one to confuse the meaning of conservatism with blind opposition.

Carl Durham was a constructive force in this House, and the service he rendered as a member and as chairman of the Joint Committee on Atomic Energy greatly aided in the development of American strength.

He was a great gentleman whose presence added character to the House, and whose life reflects credit upon the people of North Carolina he loved and represented so well.

Mr. HOSMER. Mr. Speaker, the late Carl T. Durham was one of the finest gentlemen I ever knew. He was a true Southern gentleman, kindly, courtly, and wise. During service with him on the Joint Committee on Atomic Energy, I came to know him well and admire him deeply. Now that he is gone, like thousands of others whose lives he touched for better, I shall miss him sorely.

An insight from the perspective of the early days of the Joint Committee on Atomic Energy and, even before that, his life in North Carolina, was given recently by Richard Arlen Smith, editor and publisher of Water Desalination Report. Smith, as a boy and young man, knew Carl Durham in the South and later, in Washington as a member of the JCAE staff, worked under his guidance.

Mr. Smith in the May 9 issue of Water Desalination Report wrote of Carl Thomas Durham as follows:

Carl Thomas Durham, original member of the Senate-House Committee on Atomic Energy, its chairman twice, died at age 81 last week in Duke University Hospital at Durham, N.C. Durham's effort and political clout initiated much of the legislation in the late 40's and throughout the 50's which paved the way for the military atom to go peaceful, including civilian nuclear power, desalting ocean water and their dual applications. Few would doubt the AEC and the powerful Joint Committee's interest and magic of the words "nuclear power," in those days provided much of the impetus for the Federal desalting program set-up in Interior Dept. finally.

Tall, handsome, gentle and slightly taciturn, Durham's genius as a member of the House of Representatives from 1938 until retiring in 1961, from Chapel Hill, N.C. representing the sixth N.C. Congressional District, was for getting things done, effectively, quietly and without the usual hullabaloo and fanfare associated with political outings. For example, he would've known what to do and had the muscle, i.e. votes, to prevent present disintegration of the desalting program.

The greats. He moved in political and social circles of the greats of the day, including Sam Rayburn, Jimmy Byrnes, Carl Vinson, newcomer Sam Ervin, Harry Truman and young Lyndon Johnson. Wayne N. Aspinall and Craig Hosmer, who served with him on the Joint Committee, liked his style, sought his support and took many cues from Durham. Of them all, Durham once confessed, "My best political friend is Chet Holifield," who he groomed as his successor on JCAE.

Durham was the prototype conservative Southern Democrat, the kind passed-by and scorned these latter days, but it didn't keep this editor from learning from him, admiring and loving him all his life, from the time he used to sit on his knee. Once he came and lectured at High Point, N.C. High School in the mid-40's, on the scene in Washington. He said when he came to Congress in 1938 the Federal budget was $8 billion, that Roosevelt's works program had just completed the Interior Dept. bldg. for $13 million. He said at the time, "All this tendency to growth, greater spending and bigger and bigger, remember it doesn't necessarily mean progress or a better life." This yr., the Federal budget at $304.4 billion, it seems Durham may have made a lasting, true statement back there in High Point.

Something from and for the people, the miserable taxpayer like you and me, a giant as it were, has passed from the scene.

[From the Chapel Hill Newspaper, Apr. 30, 1974]

DURHAM FUNERAL SERVICES WILL BE HELD WEDNESDAY

Funeral services for former Congressman Carl T. Durham will be held at 2 p.m. Wednesday in University Baptist Church by the Rev. Henry Turlington. Burial will be in Antioch Baptist Church cemetery.

Mr. Durham, 81, who went to Congress from Chapel Hill in 1938 and served 11 consecutive terms, died yesterday morning after being critically ill for seven weeks.

"Carl Durham was a distinguished citizen of North Carolina and the nation," UNC President William Friday said this morning. "He rendered notable service in the Congress and to the people of this district. He was a deep and valuable friend and he will be greatly missed by all of us."

Second District Congressman L. H. Fountain is the only current member of the North Carolina House delegation who served there during Mr. Durham's 22-year tenure. A good friend and visitor to the former Congressman in Chapel Hill, Congressman Fountain announced Mr. Durham's death on the floor of the House yesterday and said he would prepare a eulogy for insertion into the Congressional Record.

"I have known few men who wielded the influence that Carl Durham did as a Congressman, who were also so compassionate," Congressman Fountain said. "He was usually the spokesman in the House for issues coming from the Atomic Energy Committee, and there was seldom any debate on his recommendations, nor any questions of him because the House respected his views on this legislation so completely."

Congressman Fountain also cited Mr. Durham's effective stewardship of bills that affected his four-county Sixth District and the state of North Carolina.

Collier Cobb Jr. of Chapel Hill managed one of Mr. Durham's campaigns for re-election and was a close personal friend.

"Carl Durham was one of my most devoted friends and he was a gerat fellow," Cobb said. "He deserved an awful lot of credit. His was truly a success story in the finest American tradition.

"He was absolutely determined to be a success in the Congress, and he did it in a grand way. The remarkable record he made in Washington was outstanding by any measure."

In addition to his widow, Mrs. Louise Durham, Mr. Durham is survived by three daughters, Mrs. Williard Sessler of Asheville, Mrs. Joe Wall of Chapel Hill and Mrs. Robert Wyatt of Durham; one son, Carl T. Durham Jr. of Wilmington; one stepdaughter, Mrs. Frank Gossett of Charlotte; two stepsons, Bill Jefferson of Boston, Mass., and Clyde Jefferson of Chapel Hill; four sisters, Mrs. Tom Andrews, Mrs. Maude Durham and Mrs. Aubrey McLennon, all of Chapel Hill, and Mrs. William Lloyd of Raleigh, and two brothers, Alton Durham of Chapel Hill.

The family will receive friends from 7 to 9 tonight in Walker's Funeral Home.

Pallbearers at Mr. Durham's funeral will be Dr. Ed Hedgpeth, Tony Gobbel, Ben Courts, Roy Lloyd, Roland Giduz, Paul Cheek, Walter Rabb and Dr. Tyndall Harris.

[From the Washington Post, May 1, 1974]

EX-REPRESENTATIVE CARL T. DURHAM DIES; HEADED ATOMIC ENERGY PANEL

(By Jean R. Halley)

Former Rep. Carl T. Durham (D-N.C.), who was twice chairman of the Joint Congressional Committee on Atomic Energy, died Monday in Durham, N.C. He was 81.

In declining health for several years, Durham, who lived in Chapel Hill, had been hospitalized at the Duke University Medical Center for the past seven weeks.

He had served in Congress from 1938 until retiring in 1961 at the end of his 11th consecutive term. During that period, he had represented North Carolina's Sixth District.

A tall, quiet man, who operated mostly behind the scenes, Mr. Durham had served on the Powerful Joint Atomic Energy Committee from the time it was established in 1946.

Earlier, he had been a member of the old House Military Affairs Committee and in that capacity had fought a proposal to leave the Atomic Energy Commission largely in military hands.

The battle was lost in committee and on the House floor but was finally settled by Senate-House conferees, of which Mr. Durham was a member. The AEC became a civilian establishment.

As a member of the Joint Committee, Mr. Durham was credited with strongly influencing President Truman in deciding to develop the hydrogen bomb.

Mr. Durham, who was also a top-ranking member of the House Armed Services Committee, was a strong proponent of the development of atomic energy for peaceful uses.

A pharmacist by profession, he was born on a farm in Orange County, N.C., and graduated from the University of North Carolina.

He had worked in a drugstore while attending the university in Chapel Hill and opened his own pharmacy there after serving as a pharmacist's mate in the U.S. Navy in World War I.

Mr. Durham became interested in politics after the war. He served as a member of the city council of Chapel Hill from 1924 to 1932, as a member of the Orange County Board of Commissioners from 1932 to 1938, and as a member of the Chapel Hill school board from 1924 to 1938.

He also had been a trustee of the University of North Carolina.

[From the Washington Star-News, Apr. 30, 1974]

EX-REPRESENTATIVE CARL DURHAM DIES; FOUGHT FOR CREATION OF AEC

Former Rep. Carl T. Durham, D-N.C., 81, one of the leaders in congressional battles for civilian control of the nation's atomic energy, died yesterday in a Durham, N.C., hospital.

Mr. Durham, twice chairman of the Joint Committee on Atomic Energy, served in the House for 22 years before retiring in 1961. In announcing his retirement he told newsmen. "The time comes when you have to step

down. I've seen too many hang around until they were decrepit." He then was the third Democrat in seniority on the House Armed Services Committee.

Mr. Durham became a member of the Joint Committee on Atomic Energy when it was established in 1946. Working mostly behind the scenes, in committees and cloakrooms, he seldom spoke from the House floor.

He and the late Sen. Brien McMahon, D-Conn., were credited with influencing President Truman's decision to develop the hydrogen bomb and also fought for the establishment of the Atomic Energy Commission as the civilian agency that it eventually became.

A native of Orange County, N.C., Mr. Durham was a pharmacist in Chapel Hill before entering politics. He served on the Chapel Hill City Council, the district school board and as Chapel Hill city commissioner before his election to Congress, in 1938.

In that election the Democratic nominee died 12 days before the general election and Mr. Durham was selected by the district Democratic congressional committee to take the place of the deceased nominee. There was no Republican opposition.

North Carolina's old 6th District he represented was formed from Orange, Durham, Alamance and Guilford counties.

Mr. Durham held a pharmacy degree from the University of North Carolina. During World War I he served in the Navy as a pharmacist's mate and after the war he became interested in politics.

[From the News and Observer, Apr. 30, 1974]

FORMER CONGRESSMAN CARL DURHAM, 81, DIES

DURHAM.—Former U.S. Rep. Carl T. Durham, a Democrat who represented North Carolina's old 6th District for 22 years and then retired at the height of his career in 1961, died Monday at Duke University Medical Center.

A hospital spokesman said Durham, 81, had been in the hospital since March 10 and had been in declining health. Death came at 9:15 a.m., the spokesman said. Some members of his family were at his bedside.

Durham was first elected to the House in 1938 under unusual circumstances. The Democratic Party's nominee died 12 days before the general election, and a four-man nominating committee chose Durham to take the dead man's place on the ballot. There was no Republican opposition.

Durham then was elected to 10 more terms. His district included Orange, Durham, Alamance and Guilford counties.

During Durham's years in Congress, the United States went through a world war, entered the nuclear age and gradually began feeling its way into the space age.

He was twice chairman of the Joint Atomic Energy Committee and headed an early space committee. He was vice chairman of the House Armed Services Committee.

In January 1961, Durham did what many politicians only talk about. He retired to "spend more time with my grandchildren."

In 1959, announcing his plans to retire at the end of the term he was then serving, Durham, then 66, told newsmen: "I have seen too many members hang on until they become decrepit. When my term expires, I plan to go back to Chapel Hill and enjoy myself."

Durham was active in retirement. His days were mostly filled with hobbies—golf, hunting, woodwork. In 1963, he told The Associated Press, "I'm enjoying myself, taking my time about doing things I've always wanted to do, some of them going back to when I was a child."

Durham, an Orange County native, served in the Navy during World War I.

He was a graduate of the University of North Carolina School of Pharmacy, and before his election in 1938, Durham worked as a pharmacist at Eubanks Drug Store in Chapel Hill. Although he had held numerous city and county offices since 1922, he was relatively unknown outside Orange County in 1938.

A funeral service will be held at 2 p.m. Wednesday at University Baptist Church in Chapel Hill. Burial will be in Antioch Church cemetery.

Surviving are his widow, Mrs. Louise Jefferson Durham; son, Carl T. Durham Jr. of Wilmington; daughters, Mrs. Williard Sessler of Ashville, Mrs. Joe Wall of Chapel Hill and Mrs. Robert Wyatt of Durham; stepsons, Bill of Boston, Mass., and Clyde Jefferson of Chapel Hill; stepdaughter, Mrs. Frank Gossett of Charlotte; sisters, Mrs. Tom Andrews, Mrs. Maude Durham and Mrs. Aubrey McLennon of Chapel Hill and Mrs. William Lloyd of Raleigh; brothers, Alton and Bernard Durham of Chapel Hill; 22 grandchildren.

CARL DURHAM POSSESSES "ABSOLUTE INTEGRITY, SOUND JUDGMENT, AND SINCERE KINDLINESS TO ALL COMERS"

Carl Durham was a native of the White Cross community six miles west of Chapel Hill, the oldest of nine children born to Claude and Delia Ann Lloyd Durham. He was born Aug. 28, 1892, in the house his great-great-greatgrandfather, Matthew Durham, built in 1734 when he moved from New England to settle on the plantation near the Haw River.

Mr. Durham was reared in a farm family amidst four-cent cotton and in his boyhood days split crossties and harvested wheat with a cradle. He attended White Cross School and then Manndale Academy at Saxapahaw where he played on the first high school football team in the state. He also pitched and played first base on the baseball team.

In the summer of 1913 he moved to Chapel Hill to work at Eubanks Drugstore. Preparing to enter the University in 1915, he borrowed $50, thinking "it was an awful lot of money. . . ." To pay his way through the University he kept up with his $20 a month job in the drugstore and supplemented that salary waiting on tables at the University Inn. As a student at Carolina he was vice-president of his pharmacy class and a member of Kappa Psi pharmacy fraternity.

IN NAVY

On New Year's Day, 1918 he enlisted in the Navy, serving as a pharmacist's mate in the Navy Hospital Corps for the final period of World War I. He was released on Christmas Eve that same year. Less than a week later—on Dec. 30, 1918, he married Margaret Joe Whitsett of Guilford County, and began his professional career as a pharmacist for Eubanks Drugstore in Chapel Hill.

The Durhams had five children: Celia (Mrs. Gregg Murray), who died in 1971; Mary Sue (Mrs. Willard Sessler of Asheville), Carl Durham Jr. of Wilmington; Peggy (Mrs. Joe Thomas Wall of Chapel Hill) and Ann Durham Wyatt of Durham. Mrs. Durham died on Jan. 10, 1953. On June 8, 1961, he married Mrs. Louise Ashworth Jefferson of Chapel Hill. They have between them eight children and 26 grandchildren.

Mr. Durham quickly became a leader in community affairs of Chapel Hill. He had helped organize the Men's Bible Class at University Baptist Church in 1914 and been its president, as well as a deacon in the Church. He was a member of the Chapel Hill Board of Aldermen 1921–30 and on the Chapel Hill School Board 1924–38, and served eight years on the Orange County Board of Commissioners. He was also a charter member of the White Cross Junior Order of United American Mechanics, a member of University Lodge No. 408 of Masons in Chapel Hill, and a charter member and Commander of Chapel Hill Post No. Six of the American Legion.

Chapel Hill Weekly Editor Louis Graves wrote of him in 1937: "When two citizens of Chapel Hill get into a discussion about some community enterprise or affair—like the school for example, or street improvement, or the public health or unemployment—before they get through, one of them is more than apt to say 'What does Carl Durham think about it?' Carl Durham possesses the affection and respect of Chapel Hill to a remarkable degree. Absolute integrity, an ever lively public spirit, sound judgment, kindliness to all comers, no matter what their stations, an utter simplicity in speech and manner—these qualities have endeared him to everybody in the village. . . . He just wants to give all the help he can. No man was ever more faithful to the ideal expressed in the words: Public office is a public trust."

He was elected to the UNC Board of Trustees in 1937 and served many years. His alma mater honored him in 1958 with an honorary doctorate of laws.

Politics was an avenue to public service for Carl Durham. He had served on the State Democratic Executive Committee and managed the Congressional campaigns in Orange County of Frank Hancock of Oxford and William Umstead of Durham.

Umstead's retirement at the end of his term in 1938 was the beginning of Mr. Durham's Congressional career.

He was familiar with the "New Deal" even before going to Washington. Mr. Durham was Chairman of the Orange County Board of Commissioners three years before the Rural Electrification Act was passed in 1935. He proposed and won $22,000 federal aid in the depth of the depression for a rural electrification line in the Calvander-Orange Grove area of Orange County—the first rural electrification project in the country.

An extraordinary chain of events led him to Congress. Judge Lewis Teague of High Point, the Democratic nominee for Congress, died 12 days before the general election of Nov. 8, 1938. There was no Republican candidate. Teague had defeated Oscar Barker of Durham by a slim margin in a second primary election that spring.

DEADLOCKED

The party's executive committee—one member each from the four counties of the old Sixth District—Durham, Orange, Alamance, and Guilford Counties—met in Greensboro all day on Halloween, Oct. 31. They were completely deadlocked, first on personalities, then as to what section of the district they should consider for their choice.

On the morning of the second day of their secret deliberations in the Guilford County Courthouse a movement started in Chapel Hill in Behalf of Carl Durham. Mr. Durham himself later related it this way:

"I was swatting flies in the drug store window and looked up and saw Umstead (Orange County Rep. John W. Umstead Jr.) coming in the door. He asked 'Do you want to go to Congress?' 'What kind of liquor have you been drinking?' I said."

In the meantime Mr. Umstead and another local political wheel-horse, Frederick O. Bowman, had contacted an Alamance County friend and also wired their suggestion to the Orange County member of the nominating committee in Greensboro, UNC Journalism Prof. Oscar J. (Skipper) Coffin, who shortly presented Durham's name for the first time as "the best citizen in the Sixth District." At 4 p.m. the committee unanimously nominated Mr. Durham.

Mr. Durham learned of his appointment, to his surprise, when called by a Greensboro Daily News reporter late that afternoon. Editor Graves called his selection "the most dramatic incident in the field of politics in the history of Chapel Hill. Mr. Durham was not just a dark horse—he was super-dark. His name was not even mentioned until the second day of the troubled deliberations." An hour after learning of his nomination, though, Mr. Durham was still at work in

Eubanks Drugstore, filling prescriptions and mixing sodas.

TO CONGRESS

John Umstead came into the store with a typed acceptance statement for him to sign. Mr. Durham agreed to serve for one term. As Umstead left the Congressman-nominate told him "Wait a minute—the least I can do is give you three cents for postage on that acceptance letter." Mr. Umstead laughed and accepted the pennies as he headed for the post office.

Thus Mr. Durham went to Congress for the first of his 22 years and 11 terms without a campaign. He had never been defeated in a political contest to that time, and he never was later. Though he had serious opposition for re-election several times, he also ran twice with no opposition at all. In the few days after his selection in 1938 and before the general election some people started a write-in campaign for Oscar Barker, the runner-up to the deceased Teague, but it didn't develop significantly. So Carl Durham went to Washington on New Year's Day, 1939, to accept the oath of office as a member of the 76th Congress. He noted later that he returned to the capital city 20 years after going there as a naval volunteer in World War I—when President Franklin D. Roosevelt, then Assistant Secretary of the Navy, was also his "boss."

Shortly after becoming a Congressman, when he returned home for the weekend, he was asked how he liked his new $10,000 a year job. "I like it fine," he replied, "but of course I'm used to drudgery."

In Washington Mr. Durham quickly made friends with another freshman Congressman, Lyndon Johnson of Texas, and both became charter members of the Joint Atomic Energy Committee in 1945.

Although generally considered a conservative, Rep. Durham through the years voted for more liberal measures than most of his fellow Tar Heel Congressmen. His four-county Piedmont North Carolina district was the most urban and largest in population in the state. The Congressman noted frequently that it was "the best educated," too, in that it had 10 colleges within its borders, a fact he also held to be a record.

As his first term drew to a close Carl Durham was making a good record as a neophyte Congressman. House Speaker William Bankhead of Alabama said of him, "He has by his modesty and efficiency endeared himself to all of those who have worked with him in Washington." In Chapel Hill three of his friends, banker W. E. Thompson, druggist Clyde Eubanks, and UNC Medical School Dean Dr. Wm. B. Mac Nider got together to become his first campaign committee. They published a modest pamphlet urging his re-election "as a man of conscience, charity, capacity and courage . . . the type of man we want to represent us in Washington now and for a long time to come."

Rep. Durham gained a reputation as a "champion non-campaigner." John Umstead said of him, "Carl didn't make many speeches and I doubt if he kissed one baby in the 22 years he was in Congress, but he was never too busy to listen to somebody from his district." The Congressman himself said he campaigned in his own way: "I go to a lot of homecomings and family reunions." A friend suggested "this noiseless type of campaign seemed to suit him best."

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When World War II came he sponsored a bill creating the U.S. Army Pharmacy Corps. As a member of the House Armed Services Committee he started an investigation that resulted in the reform of the Army court-martial system.

Once during the war he had a narrow escape, traveling by plane on a Congressional Committee tour of South American military bases. The pilot discovered the plane had been sabotaged and the cotter pins taken out of the wings, eliminating the craft's speed control. He landed the plane at full speed, losing the wings, but avoiding injury to all aboard.

At the end of World War II Congressman Durham was appointed to the new Joint Atomic Energy Committee. He took great interest in this powerful body's work through the years, later becoming its acting chairman as senior member. "The human race cannot afford an atomic war," he said. He believed that the U.S. should share non-military atomic materials and know-how with other nations of the world, and sponsored the original atomic energy act that kept control of atomic energy out of the military realm. In later years he came to regard his work on that program as his outstanding accomplishment in Congress.

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Rep. Durham was a good friend of both Presidents Roosevelt and Truman. Of FDR during World War II, he recalled, "He would tell us stories about the war . . . and he could drink everyone else under the table. He was confined to a wheel chair, so it didn't matter how much he drank, and he took advantage of it. His wartime colleague in Congress, Sen. Harry Truman, reminded him that he'd trained in World War I as an artilleryman at Camp Butner. Truman was also a Civil War buff and amateur historian, as was Mr. Durham.

In 1964 Mr. Durham was elected honorary President of the American Pharmaceutical Association, and later accepted appointment as a special consultant to the body.

In his retirement years he continued to enjoy his hobbies—particularly his lifetime avocation of tramping through the woods around White Cross, cultivating wild turkey areas and hunting turkey, coons, and birds. He also enjoyed his growing collections of works of fine art, antiques, pipes, guns, and canes.

[From the Chapel Hill Newspaper, May 1, 1974]

CARL DURHAM STOOD AMONG THOSE GIANTS

When you look at today's Washington with its poisoned political air and the issue of impeachment hanging incredibly over the nation's capital, you can appreciate all the more the kind of Congressman Carl Durham made us.

In twenty-two years in the House of Representatives, no hint of scandal ever touched him. Some might have faulted him for his plain and rambling oratorical style and his political charisma, which compared with that of a comfortable old shoe. But no one ever questioned that plain and simple honesty and flinty integrity. Some mistook his quiet and thoughtful approach to congressional positions for plodding and indecision, and his reluctance to yield, once a position had been taken, for muleheadedness. But that was simply his way. To him, it was the substance not the style that mattered. He was incapable of glibness and political doubletalk, and as a result there was never any doubt as to where he stood. Once he knew which way he was going to go, then you knew, and that was that. Lobbyists, political leverage, and other pressures were totally lost on him as he arrived at his own solemn judgment. And that judgment invariably was rooted in what he thought was right—for his own constituency, for North Carolina, and for the country, never for his own political comfort.

Carl Durham would have been an anachronism in today's political scene for several reasons. Take his campaigns for re-election, if you could call them that. His attitude was worse than casual; it seemed to be downright indifferent. Here his challenger would be hustling all over the district (the old Sixth, embracing Durham, Orange, Alamance, and Guilford) speechifying, shaking hands, stoking barbecue, and generally doing those things expected of a supercharged campaigner. The Congressman usually responded with a front-porch effort. He would come down from Washington when congressional work permitted, amble about the District saying howdy if he felt the urge, and let it go at that.

His campaign style was often unsettling to his supporters. In one re-election bid, when many figured he was faced with a serious challenge, a group of the faithful in Durham raised $20,000, a substantial sum in those days, for a campaign war chest. The Congressman didn't touch the money, and won going away.

In another season, organized labor, which never counted Carl Durham as a dear friend, talked Uncle Ralph Scott, the plain-spoken State Senator from Alamance, into challenging the Congressman. Uncle Ralph's brother Kerr was a United States Senator at the time and he offered a helping hand. He sent down one of his staff members to organize Uncle Ralph's campaign and otherwise lent his considerable influence and Senate resources to beef up the challenge. On the face of it, this figured to be Carl Durham's most serious reelection test. When he finally got around to it, the Congressman mounted his usual non-campaign and literally stomped poor Uncle Ralph.

The Congressman never broke a sweat seeking re-election, taking the position that people knew who he was and what he stood for. If they wanted him to continue, fine; if they didn't, well that would be all right too. The secret to his unbroken string of successes was that people trusted him. They knew him to be a man of great character. They knew they could count on him to do the right thing as he saw it, which happened usually to be the way they saw it too. He never once betrayed their trust, and that's

why the people kept on sending him back to Washington term after term until he finally decided to call it a day.

There were giants in Congress in those days—Sam Rayburn, Muley Bob Doughton, Bob Clark—and Carl Durham was one of them. We look at the congregation up there now and wonder where they all went.

Once out of it, Carl Durham turned his attention to the place he had always loved best, Chapel Hill. He had all those rich memories and he worried like the rest of us about where the country was headed, but he never looked back with longing. He had done what he set out to do and he had done it uncommonly well. In his winter years he was, as much as anyone we have ever known, a man completely fulfilled.

[From the Chapel Hill Newspaper, Apr. 29, 1974]

AFTER EXTENDED ILLNESS—CARL DURHAM DIES AT THE AGE OF 81

Carl T. Durham, whose Congressional career *spanned* 22 years, died this morning at 9:15 in Duke Hospital. He had been critically ill for several weeks.

Mr. Durham, a Democrat, first went to Congress from Chapel Hill in 1938 and served 11 consecutive terms.

Although he was generally considered a conservative during his years in the U.S. Congress, Mr. Durham voted for more liberal causes than his fellow North Carolina congressmen. He was a strong supporter of President Franklin Roosevelt's "New Deal" programs.

During World War II he served on the Armed Services Committee, where he introduced legislation creating the U.S. Army Pharmacy Corps and initiated reform for the Army court martial process.

He was a supporter of military preparedness as a member of the House Military Affairs Committee.

After the war he served on the Joint Atomic Energy Committee and became its acting chairman as senior member. He was a strong supporter of atomic energy for peacetime use.

Mr. Durham attended the first meeting of the International Atomic Energy Agency in the summer of 1957. He believed strongly that the U.S. should share non-military atomic energy information and later came to regard his contributions in this field as his most important.

He actively supported programs introduced by Democratic administrations, and was a close personal friend of both Franklin Roosevelt and Harry Truman.

Mr. Durham attended the University here, where he *was vice* president of his pharmacy class, and then served in the U.S. Navy as a pharmacist's mate during World War I.

He returned to Chapel Hill following the war to work as a pharmacist in Eubank's Drug Store and begin his political career.

He was a member of the Chapel Hill Board of Aldermen from 1921 to 1930 and a member of the School Board from 1924 to 1938. He served for eight years on the Orange County Board of Commissioners.

He was elected to the UNC Board of Trustees in 1937 and in 1958 was awarded an honorary doctor of laws degree by the University.

He was a member of University Baptist Church, where he helped form the men's Bible class and served as a deacon.

He was a Mason and a member of University Lodge No. 408. He was a past commander of Chapel Hill American Legion Post No. 6.

He was named honorary president of the American Pharmaceutical Association and later served as a consultant to that organization.

He is survived by his widow, Mrs. Louise Durham of Chapel Hill; one son, Carl Durham Jr. of Wilmington; three daughters, Mrs. Williard Sesslar of Asheville, Mrs. Joe Thomas Wall of Chapel Hill, and Ann Durham Wyatt of Durham; eight grandchildren and 26 great-grandchildren.

Funeral arrangements were incomplete this morning.

Mr. HENDERSON. Mr. Speaker, my first experience on Capitol Hill was as assistant general counsel to the House Committee on Education and Labor in 1951, 23 years ago.

At that time, my own Congressman, Graham Barden, was chairman of the Committee on Education and Labor. North Carolina also boasted three other outstanding committee chairmen in its delegation at that time. They were Harold Cooley, Agriculture; Herbert Bonner, Merchant Marine and Fisheries; and Carl Durham, the Joint Committee on Atomic Energy.

Carl Durham, whose memory we honor today, served in this House for 22 years. He was a gentle and compassionate man and one who felt deeply the responsibility to serve his constituents to the best of his ability.

Like my own predecessor, Graham Barden, he announced in 1960, that he would not be a candidate to succeed himself, and like Graham Barden, he returned to his home in North Carolina which he had never really left spiritually.

I am gratified by the fact that this man had the opportunity of enjoying more than 13 years of well-deserved rest and serenity following his service here.

He was not a spectacular person; not a shouter nor a publicity seeker, but he served his constituents in the Nation's greatest legislative body in a manner and with a dedication which is an example to all of us who knew him.

The House of Representatives is a better place for his service in it.

Mr. FLYNT. Mr. Speaker, I was saddened by the announcement of the death of our beloved and respected former colleague, the Honorable Carl Thomas Durham, late a Representative of North Carolina. I am grateful for the opportunity to join the distinguished gentleman from North Carolina and other colleagues in paying tribute to the life, character, and public service of this outstanding former Member of the House.

By any criteria and standards, Mr. Durham would be classified as a leader of the House of Representatives during his 22 years of service in this body. He was close to and representative of the people of his district and his State. He was a man of ability, character, and integrity. On many important and controversial issues he never hesitated to take a strong position. He was articulate as an advocate of legislation which he supported and was always able to capably defend that position.

At the time of his retirement from the House, he was vice chairman of the Joint Committee on Atomic Energy and a senior member of the House Committee on Armed Services. On these two committees, Mr. Durham served with distinction and dedication during a most critical period in our history both in the defense area and in the development of atomic energy.

Carl Durham made many contributions to the House of Representatives, the United States, to his native State of North Carolina, and the Sixth District which he represented with distinction and honor for 22 years. He was admired and respected by his friends and neighbors in his district and throughout the State of North Carolina. He was equally admired and respected by those colleagues who were privileged to serve with him in the Congress.

Mrs. Flynt joins me in extending to his family and loved ones our condolences and heartfelt sympathy.

Mr. ARENDS. Mr. Speaker, the loss of our friend and colleague, Carl Durham, is an event of special sadness to those of us who worked with him for the entire 22 years he served as a Member of this House, because we came to appreciate in full measure his many attributes as a legislator and as a man. His strength of character, his breadth of vision, his scope of knowledge, all gave substance to the fact that Carl was one of the truly great Members in the history of this body. He was a man of principle who shunned expediency; his word was his bond. Carl brought great credit upon himself, his district, his State, and his Nation for having served here.

Mr. Speaker, in recalling his many sterling qualities we do not overlook the charm and the wit which were so characteristic of Carl—and of which we were fortunate to have been among the beneficiaries. A true Carolina gentleman, Carl never wavered in his loyalty to his Carolina heritage. His positive view of life and the conduct of public affairs was a hallmark of his approach.

Mr. Speaker, you may recall that Carl and I were among the original members of the Armed Services Committee when it was established in 1947. Prior to that, we served together on the Military Affairs Committee for several years. Carl was assiduous in pursuing his committee duties, and he soon emerged as a leading figure in the formulation of our national defense policy—before, during, and after World War II. Not only did he favor a strong national defense, but he knew precisely what such a policy entailed in terms of men and weapons, as well as funds.

Mr. Speaker, our country, all of us, are the poorer today, because Carl Durham has departed, but we are the richer for his having been among us for a time.

GENERAL LEAVE

Mr. FOUNTAIN. 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.

The SPEAKER pro tempore (Mr. BRECKINRIDGE). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LIMITING TENURE OF FUTURE PRESIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CHAMBERLAIN) is recognized for 30 minutes.

Mr. CHAMBERLAIN. Mr. Speaker,

several years ago, because of my deep concern about the division within the Nation over Vietnam, and after giving the matter much thought and study, I introduced an amendment to the Constitution to limit the tenure of future presidents of the United States to one term of 6 years. On the opening day of this 93d Congress, January 3, 1973, I reintroduced the same amendment which is House Joint Resolution 127.

Much has happened since that time to strengthen immeasurably the case for such a change.

Today, I would ask my colleagues, on both sides of the aisle, to reflect again on the merit of this proposal. And in doing so, I would ask that you take both a long view and a short view of American history.

Certainly, Mr. Speaker, the idea is not at all new. In fact, it is a very old suggestion. But being an old proposition does not necessarily make it a bad one. Indeed, the fact that it keeps coming back for reconsideration from time to time and is debated at intervals of a few decades shows that it attracts the attention of succeeding generations. It refuses to die.

As you may well know, the single 6-year term was debated at the constitutional convention of 1787. Considerable discussion of its merits took place at that time, and I think it is quite significant that well over 100 amendments to put it into effect have been offered since the Constitution became operative.

The suggestion has been supported by notable names in our history. President Jackson, President Polk, President William Henry Harrison, President Andrew Johnson, President Cleveland and President Taft all endorsed it at one time or another.

In 1912, the House Judiciary Committee recommended a single 6-year term. In its report it stated:

> The President should be ineligible to a second term, because being ineligible there will be no temptation improperly to use the powers and patronage of that exalted office.

The report also said:

> It will make the President the chief executive of the whole people and not the leader of a mere faction or the chief of a political party.

And in conclusion the committee commented:

> This amendment, if submitted and ratified, will increase the efficiency of the administration of the President; will remove the temptation to build up a political machine by the abuse of patronage and power; and save the President from the humiliating necessity of going to the stump to repel assaults made upon him.

A year later, in 1913, the Senate actually approved an amendment for a 6-year term, but President Woodrow Wilson objected to it, and it died on this side of the Capitol.

With the passage of time, the powers and responsibilities of the presidency have, of course, increased dramatically. If there were reason and justification for considering such a course of action 60 years ago, how much more justified we are in proposing a 6-year term today when the burdens of that high office have multiplied to previously unimagined complexity.

Several years ago, the majority leader of the Senate, Senator MANSFIELD, joined the Republican dean of that body, Senator AIKEN, to make an eloquent plea for such an amendment. In 1971, Senator MANSFIELD told a Senate subcommittee:

> It is just intolerable that a President of the United States—any President, whatever his party—is compelled to devote his time, energy and talents to what can be termed only as purely political tasks.

He added at a later point:

> Surely this amendment does not represent a panacea for these ills which have grown up with our system of democracy. But it would go far, I think, in unsaddling the presidency from many of these unnecessary political burdens that an incumbent bears.

One of the arguments frequently advanced against this proposition is a statement that it would make the President a "lameduck"—a person on his way out and with no political future, and supposedly, therefore, without incentive to do a good job.

At the outset let me reject such misuse of the label of "lameduck." By definition and generally accepted usage, a "lameduck" is an officeholder who has sought reelection and failed to win it. So the term is a misnomer when used in this particular context.

However, to answer the argument, let us use the term loosely. To those who have doubts about a single 6-year term for that reason, I would suggest that second-term Presidents are already "lameducks." This we did when we adopted the 22d amendment limiting the President to two terms. Therefore, it seems to me that the benefits of such an amendment would outweigh whatever we might lose by having so-called 6-year "lameducks" instead of 4-year "lameducks" as they may be called in their second terms.

Such a change would give our President more time to attend to his immeasurable and ever-growing duties—Chief of State, administrative head of the executive branch, Commander in Chief of the Armed Forces, architect of our foreign policy, as well as of the domestic programs to assure the well-being of the state of the Union, and the political head of his party. These are tremendous responsibilities in a world made more dangerous by intercontinental nuclear missiles and radically shrunken by jet aircraft, fantastic communications, and our recent space exploits. I believe that today, more than ever before, it is absolutely essential to minimize political demands on the President, so that he can devote his full attention to the affairs of state.

The amendment would minimize or remove a lot of uncertainty—for the President, for the Nation, and for the nations that deal with us.

Let us briefly examine another argument raised against such an amendment, some object to the proposal as removing the President from public accountability, making him unresponsive to a public which he will not have to face in another election. This is a valid concern, but not, I think, a real danger.

Any President wants to succeed in the office, and to succeed he must not only win, but he must have wide popular support for his recommendations and programs. Every President needs support in Congress which he cannot get if he alienates himself from the people. Every President desires the continued success of his political party and the philosophy it represents. This, too, requires popular support. Most Presidents will want to have some influence on the choice of their successors, and this, too, requires popular support. Finally, any President—being human—desires to be well thought of by his countrymen. He wants to be liked. All of these considerations will insure that a President, even under a single-term limitation, will be sensitive to the needs and wishes of the American people.

Then there is the notion that one 6-year term would "freeze in" poor Presidents by lengthening their term by 2 years.

It is my view that such an amendment would shorten, not lengthen, the tenure of Presidents since in actual practice the term of the Presidency has become a usual 8 years.

For more than 40 years, every American President, save one, has served more than 4 years in office. The one exception was President Kennedy, who was assassinated in this third year in office, and I am sure that most observers would readily concede that he would have been reelected for a second term.

What is known as "the power of the incumbency" is well exemplified in our presidency. Most Presidents want two terms and most Presidents get two terms. Their names become household words. They are followed by a press corps from throughout the Nation and the world. On short notice, their faces and their statements go into tens of millions of homes via television.

They become almost unbeatable. Their challengers have no such platforms until just weeks before the election date.

At this point in our history, it might be well to speculate on how different things might have been for the late President Lyndon B. Johnson and our incumbent President who succeeded him, Richard M. Nixon, had they been elected to single 6-year terms.

President Johnson, after winning election in his own right in 1964, promoted the "great society" as his major domestic program while the U.S. involvement in Vietnam steadily increased. The resulting combination of Federal spending set up tremendous economic pressures. Yet he refused, because of political considerations, to call for a tax increase to provide the revenue to meet those expenditures. Today we are still suffering from inflationary pressures that have ensued.

Indeed, one can go beyond domestic policy and build a strong case that the conduct of the war itself might well have gone differently and might have been concluded earlier. The intransigence of Hanoi would not have been buoyed by many of the uncertainties, including the possibility of a change of leadership.

Mr. Johnson, after he was out of office, indicated he had given a lot of thought to a single term and that he leaned that way. Here is what he said in a television interview of 1972 with Walter Cronkite of CBS News:

> I believe that if a man knew that he just had one term and he had to get everything

through in six years, that he didn't have to play to any political group and he didn't have to satisfy any segment of our society and this was the only chance he was going to have and he couldn't put it off, I think it would probably—and I say probably—be in the best interest of the Nation.

Mr. Speaker, let us now turn to a President of my own party, President Nixon, whose possible impeachment is under study by the Judiciary Committee of this House.

Had he been elected to a single 6-year term, I feel sure there would have been no Watergate. Certainly there would have been no "creep." There would have been no one raising campaign funds—legal or otherwise—for his reelection. There would have been no "political adolescents," in the phraseology of Vice President GERALD FORD, running the campaign and carrying out illegal and unethical acts.

Mr. Nixon would have been in a much better position to follow up on the brilliant initiatives he made with China and the Soviet Union. In addition, he would have had much more time to devote to his domestic programs and to work with the Congress in solving the multitude of problems we have right here at home.

We improved the Constitution, in my opinion, when we adopted the 22d amendment and limited our President to two 4-year terms.

We made a further improvement when we adopted the 25th amendment which was exercised for the first time last December in filling the Vice-Presidency. And in that amendment we also provided for the Vice President to become Acting President should the need arise—as it did arise with President Wilson and President Eisenhower, among others.

That is progress. That is giving substance to the oft-heard statement that our Constitution is a living document that can be changed to accommodate the needs of the times.

But it is not as much progress as the Congress is capable of providing, or as much as I believe the American people want and are ready to accept.

The Senate has enacted rather sweeping proposals to strengthen the laws govening campaign financing. That is all *very well*, and in due course I am sure this House will consider them and work its will. But as to the Presidential contest, it is my contention that these proposals treat the symptoms while ignoring the illness.

The Nation's needs and our recent traumas *clearly indicate* that we should abolish second-term Presidential elections. When we do that, and only then, will we be on the clear path toward the urgently needed and fundamental improvement in the highest political office in the land.

We need to get reelection activity out of the White House—and we need to get the White House out of reelection activity. And I mean really get it out, root and branch, just as much and just as soon as we possibly can, rather than camouflage it by sending it a few doors up Pennsylvania Avenue or over to the offices of the national political committees.

The time to move is now—while so much that is wrong under the present system is apparent to all and while the country not only is eager—but is, in fact, demanding, genuine election reform.

Now I am not advocating that there is any magic in the concept of one term of 6 years. As I view it, 6 years is simply a ccmpromise between 4 years and 8 years. If the Congress, in its wisdom, concluded that a single term of 4 years, or 5, would be better, that would be acceptable to me. My point is only this—that it is time for action—time to get some movement rolling.

But the principle that should not be compromised is the ending of all reelection activity by the President of the United States. In brief, and I would hope that there would be broad agreement on this, what I would like to do is to get the President down off the stump and give him more time to work on his job and in the interest of the country and of all our citizens.

The need is great. The time is right. It is my hope that we can get some action started yet this year.

Mr. Speaker, we owe it to the Presidency, but more importantly, I feel it is our obligation to the country.

BOB SIKES SPEAKS TO THE ADJUTANT GENERALS ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 30 minutes.

Mr. RANDALL. Mr. Speaker, I asked for this time at the conclusion of legislative business today to read into the RECORD the remarks of our distinguished colleague from Florida, BOB SIKES, delivered at the Adjutant Generals Association meeting on Tuesday evening, May 14 at Bolling Field Air Force Base.

Present were most of the adjutant generals of our 50 States as well as many of their staff from their respective States. It was a colorful evening.

But while it was a pleasant evening, it was also a productive evening for those out of uniform who happened to be guests and have the privilege to listen to the commonsense comments of a man who is so well qualified to speak on our defense posture.

The gentleman from Florida first proceeded to assail the proposal by some misguided individuals that we cut $11 billion from this year's military expenditures which he said would mean the elimination of new weapons systems in their entirety and leave the field of modernization completely to the Russians.

Next week we will debate on the House floor the Armed Services procurement bill and I commend to my colleagues to read and study the comments of the gentleman from Florida before we engage in that debate next week.

The speech of the gentleman from Florida, BOB SIKES is not only accurate as to its facts, it is at the same time, both informative and hard hitting. I came away from listening to him, inspired.

When crippling amendments are being offered on the military authorization bill next week, it behooves us all to work just a little bit harder to defeat these amendments. In a few words, the message of the gentleman from Florida is that we cannot let ourselves become inferior to any other power in the world—we must remain militarily secure.

The speech follows:

SPEECH OF CONGRESSMAN BOB SIKES TO THE ADJUTANT GENERALS ASSOCIATION, MAY 14, 1974

I assure you I am proud to meet with you and I am proud that you have honored me in such a distinctive way. I realize this is no ordinary award. I accept it in recognition of the motives which inspire you and others who believe in patriotism, who believe in our country, believe in its flag, believe in its God, and who are proud to serve in our country's uniform.

There is a serious need to acquaint the people of our country with the true facts on the nation's military posture. I have never seen a time when I believed the average American wanted a militarily weak nation or when he would not be willing to support adequate expenditures for an effective defense. I believe that America has always been defense minded.

Yet we find one instance after another where demands are being made, in and out of Congress, for cuts in defense funding. Some of these demands are from highly placed individuals. These are fully publicized. In contrast, the news media tells very little about the status of defense funding, or about the growing strength and improved modernization of Communist world forces. One of two things is happening. Either there are not enough people who are telling the true facts about defense, or there are not enough publications which are printing the facts.

There are many who stress the need for adequate funding for defense and who tell of the growing disparity between our forces and the Russian Forces. Included are ranking members of the Appropriations Committees and the Armed Services Committees of the Congress. These talks generally are ignored by the news media. But criticism of the military, even by first-term experts, always appear to be prominently noted.

The Washington Post of today carried a three-column item with bold headlines stating "defense ex-aides urge $11 billion budget cut." This recommendation, which was fully and carefully reported by the Post, comes from a 21-man group headed by a former assistant secretary of defense. He also was a defense and foreign policy advisor to Senator Muskie and to Senator McGovern. I think that tells us all we need to know about this particular group. But the fact remains they get headlines.

They want to cut $11 billion from this year's military expenditures. They want to eliminate the new weapons systems almost in their entirety. Leaving the field of modernization almost completely to the Russians. They want to cut back on conventional forces. This would complete the job of leaving us at the mercy of the Russians.

They want to cut the request for funds for Indochina by 75%. This should insure a speedy takeover of the entire area by the Communists, something they have not been able to accomplish despite an effort which has been going on for a quarter of a century. They don't even want to leave money in the budget to take care of increased pay or cost escalations due to inflation. In other words, they recommend cutting back America's defense even more than the Russians have urged at the SALT talks.

Yet groups like this can get nationwide publicity, while people who believe in defense can't get the time of day from the news media.

Now I want to congratulate the adjutant

generals association, the National Guard Association, and the members of the National Guard for the dramatic way in which you are refuting the statements that it no longer is possible to obtain sufficient personnel in time of peace, without a draft, for effective reserve components. The example the National Guard has set in recent weeks shows, despite the obstacles to recruiting—and there are serious obstacles—that the job can and is being done insofar as the National Guard is concerned. Possibly there are reasons why task is a little less difficult for the Guard, but you have set an excellent example for other reserve components to seek to follow. I think you have breathed new life into the program.

To support that effort, there should be more positive action by the Congress on the six-pack plan or incentives for reserve service. New legislation is vital to the retention of experienced manpower and the recruitment of new manpower—and womanpower. I am concerned that the Department of Defense is giving less than wholehearted support to this program, but that is not a reason for Congress to delay.

The servicemen's group life insurance bill is a good beginning, but it isn't enough. We need a realistic widow's equity program and we should provide an equity in the retirement system for those men and women who have contributed their services faithfully but have not reached the magic age of 60 and become full participants in the retirement system. There also is the matter of enlistment and reenlistment bonuses. I don't think the delays in Congress are an indication of "lip-service" only. They have principally been the result of competition with other pressing national legislation.

There is a reason for apprehension about the attitude of the Department of Defense toward the Guard and Reserve components in general.

Most of you will recall the McNamara proposal of the 1960's which would largely have decimated the Guard Reserve components. He was a very able but a computer-oriented Secretary of Defense whose computers told him the Guard and Reserves offered little return for the costs involved. He never accepted their potential for effective service. Their essentiality for quick mobilization and their contributions in previous wars in the nation's defense were lost on him.

The House Committee on Appropriations spearheaded the fight to keep the Guard and Reserve components strong numerically. The effort was joined by the House Armed Services Committee, which produced legislation spelling out Reserve programs. With the help of Guard units and reservists nationwide we weathered the storm. Unfortunately, some of the real thrust of the effort was lost when Mr. McNamara refused to use the Guard and Reserves in any appreciable way in Southeast Asia. Only the Air Force took realistic advantage of its Reserve forces in that conflict, and their services were invaluable.

When Mel Laird became Secretary of Defense a more practical view on the Guard and Reserve components was adopted. He committed the administration to use the Guard and Reserves in future national emergencies. It was also his policy to improve and modernize the Reserve components. But as often as not, the anticipated equipment has wound up in Southeast Asia or other areas of emergency requirement, even including Israel.

Through all of this, the Nation's Reservists maintained their patriotic devotion to the service of their choice and their support of the Nation's defense needs.

We began this year with strong hopes for new recognition of the place of the National Guard and Reserves in the total force concept. Now, to the surprise and dismay of friends of the Reserve components, there is a new threat. This is the battle of the "48–K."

The proposed reduction of Reserve spaces would affect in particular the Army and the Air National Guard. I am glad to tell you that Congress is alert to the problem and has had extensive hearings on the subject, and the House Committee on Armed Services is sending to the floor legislation which specifically establishes strong levels in the Reserves which are consistent with their needs, and this includes retention of Air National Guard units. However, this battle has just been joined. The outcome will not be known for months.

Many of us in Congress believe in the total force concept, and we believe it must be followed as a powerful policy. We believe in the citizen-soldier philosophy. And, if given the support, the equipment and the training which are required, the National Guard and Reserves, with the active forces, can and will effectively provide the deterrent to aggression which will keep our Nation safe and secure and at peace. But I must warn you again there are some in Congress who do not share your concern and mine for a strong national defense. You can help to educate those who need educating.

Yes, it is important to maintain strong Guard and Reserve forces. A salient fact is being overlooked by the budget-makers. America's regular forces are slowly being priced out of existence. In the makeup of the nation's defense forces, we cannot ignore the increased cost of defense and the shrinking defense budget. These work at cross-purposes with each other. We are spending a lower percentage of the national budget for defense than we have since the early 1960's. The danger is that so little of the smaller defense dollar now goes to buy weapons and equipment. 60% of our defense dollar is pay for people in and out of uniform. In Russia, pay is less than 35%. $340—$3.85. Very simple arithmetic tells us the Russian forces are getting twice as much equipment for a defense dollar as we do. Long ago, we learned to dispense with the dream that ours is better simply because it's American. Some of our equipment is better. Some of it isn't as good. The Russians have more equipment that is new and fully modern, and that is a serious matter.

This tells you why the Guard and Reserves offer today's best bargain in defense. The nation gets more manpower per dollar from its Reserve components. This is not to say we can dispense with the regular forces. But to get the equipment we need, the nation may have to cut back on the strength of the regulars and increase that of the Reserves. Whatever happens, this is not a time for excessive cuts in the Reserve components. They should be strengthened, not weakened.

As part of this program, there must be new understanding and acceptance by the Guard and Reserves that they are again a vital part of the nation's defense. Given this goal and this responsibility, they must train as they have never trained before. They must take every step, think and work in every required moment, to be prepared for war. The Guard and Reserve forces must not let themselves be thought of as a sanctuary of any sort or to any degree. There will be no place for the "summer soldier" and the "sunshine patriot."

The suddenness with which the outbreak of war occurred in the Middle East has emphasized again the essentiality of an adequate defense and firm policies for America. The way that the Russians tried to take over in the Middle East during the October war when they felt that we were too engrossed with our own problems to stand up to them should be ample evidence of what lies ahead at any time the Russians, or even the Chinese, feel they are strong enough to stand us down. There are still predator nations in the world—nations bent on world domination—nations which will use every tool, from diplomacy to stark force, to accomplish their purposes. We can't depend on the good will of the rest of the world to insure our survival.

The war in the Middle East started with very little warning. The Israelis had to mobilize after the fighting began, and this cost them heavily—nearly every home had a casuality. We would have even less time before a first strike by our enemies. The savagery of the fighting and the heavy losses in men and equipment suffered by both sides should give us a foretaste of what war would be like if the Russians move in Europe after a first strike with ICBM's against our own land.

The Russians have among their naval shipyards one submarine base with more construction capacity than all of ours combined. They are building full-scale aircraft carriers for the first time. They have a new long-range bomber, more fighter aircraft than we, and three to four times as many tanks and armored personnel carriers. They aren't playing games.

The United States now is beginning to feel the pinch of the SALT I talks. The harsh facts are that the Soviets are embarking on a new multi-billion dollar ICBM technology development and deployment program. The SALT talks permit the Soviets to gain a decided strategic advantage over the U.S., if they choose, and they undoubtedly now choose to do so. We were out-maneuvered in SALT I by the classic communistic chess campaign of trading a pawn for a knight. We gave up a superior missile defense technology and we conceded the Soviets a quantitative ICBM superiority which they are now converting to a qualitative ICBM superiority.

I seek to state the facts which America needs to know and which most of you already know. Let's be certain that we are helping to insure that America does realize that our military might is being overtaken and can soon become inferior. I want this country to be militarily secure. I think it is necessary for our survival.

Now listen to this. As of June 1974 the number of personnel, military and civilian, in the Department of Defense will be 3,203,000. The latest available figures from HEW on welfare recipients for the end of calendar 1973 were nearly 15 million people. These 15 million people represent needy individuals, most of whom have no other means of livelihood, but none of them are required to contribute their work or to do anything else to help make America better. And the cost is $22 billion a year. We afford these. So let's not talk about not being able to afford the cost of national security.

It is easy to assume that we are secure, to think only of the things around us to concern ourselves primarily with domestic problems, some of which have been very serious indeed. How important it will be when we can resolve some of these problems, when we can get impeachment and Watergate behind us. People are tired of both, and for good reason. All of this should be concluded one way or another. It is so essential that we achieve a better understanding between the Administration and Congress. It is time to get on with America's work. There is much to do at all levels.

There are vital issues to be faced—the state of the economy, clean government, crime control and an end to terrorist activities, drugs in the schools, inflation, energy problems, national defense, all the rest. We should be about it. There is new concern about the crime because of the inability of the law enforcement agencies to cope in a fully effective way with increasing terrorist activities and with incidents such as the Hearst case. 125 FBI agents should have been able to do more than they have in the Hearst case in the more than three months since this situation developed.

Yet, President Garfield said, in another period of national crisis, "God reigns, and the Government at Washington still lives!

The American Government still stands and so does our confidence in our basic system of government. When problems occur, we will find ways to solve them and, hopefully, to prevent their recurrence.

Now let's take a look at the fact that there have been major improvements.

The great majority of the people are better educated and better paid and are living better than ever before in history.

Also, we are paying higher taxes. We don't like a lot of things we see and hear. But where else in the world do you find so many 2-car families—or more, depending on the number of teenagers—2-house families, color TVs upstairs and down, power mowers, minibikes, and swimming pools. We don't have child labor, sweat shops, kerosene-lit houses, mud roads, soup lines, and old soldiers selling apples. The point is our country has survived experiences much worse than Watergate or the current inflation or the energy crisis. But if you still think America is in trouble, look around you at other countries. Ask the people who have been to those countries. *Them* make your choice.

So let's forget the scare stories, the dire predictions of wreck and ruin, the veiled insinuations that all government is dishonest. Just look around at what has been accomplished and what can be ahead. Think of what is right with America and think on the fact that you are an American.

Yes, we live in a wonderful and great Nation where opportunities are brighter, but so are responsibilities greater. Our America is not a perfect Nation, but it stands head and shoulders above all the rest.

There are many who complain about America while they partake of its bounty. In this age, it is popular to decry the old virtues, to tell what is wrong about the system. These are the troublemakers—the ones who complain. Don't listen. Be one who builds—who offers something better. Be one of those who sees the greatness of America and is proud to work to overcome our shortcomings so that it will be a better America on tomorrow. We don't want to junk the best system man ever devised. We just want to make it better.

In this fragile existence we share, it is faith in something that can provide the human ship with a strong and true keel adequate for life's voyage. Despite her troubles and her shortcomings. I believe in America—in America's future—in America's God.

Now, as in every age, a commitment to the American people to historic ideals is needed. You and I can help to preserve those ideals. This is a part of the fight for the America we love.

All of us in this great land are Americans. We are the descendants of brave men and women who founded a Nation and forged its beliefs in blood and steel. America's character hasn't changed. American ideals are still bright. America's opportunities are unbounded. Let's be proud to be Americans. Let's fight to keep America alive and strong and right.

THE LATE HONORABLE KARL C. KING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BIESTER) is recognized for 30 minutes.

Mr. BIESTER. Mr. Speaker, I have asked for this time today so that Members of the House may have the opportunity to pay tribute to a former colleague, the Honorable Karl C. King of Pennsylvania, who died April 16 at age 77.

Mr. King served his Nation for over 5 years as a Member of Congress, and he did so with honor and a deep sense of dedication. He served unassumingly but with a special kind of commitment to the responsibilities of the high office to which he had been entrusted.

From a boyhood farm in Kansas to the classrooms of Columbia University and the Wharton School of Business, Karl King molded a career which combined elements of farming, journalism, and business—experiences which held him in good stead in his years of public service from 1951 to 1957 as a Member of Congress from the Eighth District of Pennsylvania.

Mr. King did not heed the saying to "go west, young man." Instead, he took his knowledge of farming east with him to Bucks County, Pa., where the Kansas farm boy showed local residents a few things about farming and established a prosperous produce business which, over the years, helped feed a goodly portion of the population of the eastern seaboard. He was a somewhat reluctant politician, drafted to serve in the House upon the death of Congressman Albert Vaughn in 1951.

Although he withdrew from the more political aspects of his job, he relished the legislative challenge. Mr. King served on the Agriculture Committee during most of his years in the House, and through this assignment he was able to practically apply the knowledge he had gained as a farmworker and farm operator. While on the committee he was a vocal opponent of farm subsidies and a strong advocate of the free interplay of supply and demand.

He was not a candidate for reelection in 1956 so he could devote full-time to the farming business he had been unable to give the close attention it deserved.

In his own words, Mr. King was a skeptic of "impractical idealism" which commits the Nation to "promises no government can fulfill." A self-proclaimed conservative, he felt deeply about the future of a country in which the size of its government and the magnitude of its spending practices threaten to overwhelm the individual citizen.

Karl King did something many of us would like to do—set down in writing some reflections of his life and thoughts. He did this in a limited, privately printed autobiography published a few months before his death, and he did so that his grandchildren would "know what the old man thought", perceptively observing that the problem he wrestled with would likely still be around when his granchildren become older.

His autobiography, "Prairie Dogs and Postulates," is a very open, real, and touching reminiscence. Filled with amusing anecdotes and warm remembrances, it relates experiences which set the reader's memory to wander back to his own childhood and family, ambitions, accomplishments and frustrations.

Karl King lived a rich and full life channeling his many talents through numerous constructive outlets. The dedication and devotion so evident in his career as a businessman and public servant were surpassed only by the very special love and warmth he saved for his family.

In closing his autobiography, Mr. King quotes a poem, "Thanatopsis," which he had committed to memory from his youth. Prefacing the poem he states:

A hundred times in my life I have gone over this poem in my mind as an expression of my feelings about the visible forms of nature and the final termination of an individual life. I have often said that over my dead body someone should read this poem. Other words will be superfluous.

His wish was fulfilled and "Thanatopsis" was read at his funeral. I think it only appropriate that those words be included at this point:

THANATOPSIS

(By William Cullen Bryant)

To him who in the love of nature holds
Communion with her visible form, she speaks
A various language; for his gayer hours
She has a voice of gladness, and a smile
And eloquence of beauty; and she glides
Into his darker musings, with a mild
And healing sympathy that steals away
Their sharpness ere he is aware. When thoughts
Of the last bitter hour come like a blight
Over thy spirit, and sad images
Of the stern agony, and shroud, and pall,
And breathless darkness, and the narrow house,
Make thee to shudder, and grow sick at heart;—
Go forth, under the open sky, and list
To Nature's teachings, while from all around—
Earth and her waters, and the depths of air—
Comes a still voice. Yet a few days, and thee
The all-beholding sun shall see no more
In all his course; nor yet in the cold ground,
Where thy pale form was laid, with many tears,
Nor in the embrace of ocean, shall exist
Thy image. Earth, that nourished thee, shall claim
Thy growth, to be resolved to earth again,
And, lost each human trace, surrendering up
Thine individual being, shalt thou go
To mix forever with the elements,
To be a brother to the insensible rock
And to the sluggish clod, which the rude swain
Turns with his share, and treads upon. The oak
Shall send his roots abroad, and pierce thy mold.
Yet not to thine eternal resting-place
Shalt thou retire alone, nor couldst thou wish
Couch more magnificent. Thou shalt lie down
With patriarchs of the infant world—with kings,
The powerful of the earth—the wise, the good,
Fair forms, and hoary seers of ages past,
All in one mighty sepulchre. The hills
Rock-ribbed and ancient as the sun,—the vales
Stretching in pensive quietness between;
The venerable woods—rivers that move
In majesty, and the complaining brooks
That make the meadows green; and, poured round all,
Old Ocean's gray and melancholy waste—
Are but the solemn decorations all
Of the great tomb of man. The golden sun,
The planets, all the infinite host of heaven,
Are shining on the sad abodes of death
Through the still lapse of ages. All that tread
The globe are but a handful to the tribes
That slumber in its bosom.—Take the wings
Of morning, pierce the Barcan wilderness,
Or lose thyself in the continuous woods
Where rolls the Oregon, and hears no sound,
Save his own dashings—yet the dead are there:
And millions in those solitudes, since first

The flight of years began, have laid them down
In their last sleep—the dead reign there alone.
So shalt thou rest—and what if thou withdraw
In silence from the living, and no friend
Take note of thy departure? All that breathe
Will share thy destiny. The gay will laugh
When thou art gone, the solemn brood of care
Plod on, and each one as before will chase
His favorite phantom; yet all these shall leave
Their mirth and their employments, and shall come
And make their bed with thee. As the long train
Of ages glides away, the sons of men—
The youth in life's fresh spring, and he who goes
In the full strength of years, matron and maid,
The speechless babe, and the gray-headed man—
Shall one by one be gathered to thy side,
By those, who in their turn shall follow them.
So live, that when they summons comes to join
The innumerable caravan, which moves
To that mysterious realm, where each shall take
His chamber in the silent halls of death,
Thou go not, like the quarry-slave at night,
Scouraged to his dungeon, but, sustained and soothed
By an unfaltering trust, approach thy grave
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams.

[From the Bucks County Courier Times, Apr. 18, 1974]

KARL C. KING

Many of us who live in Lower Bucks County today are relative newcomers. We barely know who Karl C. King was and why his death, late Tuesday night, should cause such a stir among the long-time residents.

But cause a stir it has, and it should. Much of the history of Bucks between the years 1940 to 1970 will be written about this man, what he was and what he came to be.

In the first place, he represented Bucks County (and Lehigh County, too, since the two areas were then in one congressional district) in the U.S. House of Representatives for three terms, from 1951 through 1957.

And even more than that. For quite a time he operated the largest farm in the county, one of the largest in the East, on 6,000 acres. The produce he grew there spread up and down the East Coast and his success as a farmer led directly to his success in government and in politics.

Farming was, in fact, Mr. King's main interest. In Washington he was a conservative Republican, mostly interested in the affairs of the Agriculture Committee. He rippled the waters very little if at all yet he was a good congressman from the Bucks County standpoint.

At home, though, on the vast King Farms, he had quite an impact. Mr. King brought some of the first itinerant laborers to this part of the state, housing and paying them in a way that was considered model then although it hardly conforms to today's standards.

He signed the first union contract for farm labor; he automated farm work to a surprising degree. He helped to establish two restaurants; he helped to keep the Republican party in the dominant position it held locally for so long.

Van Sciver Lake and the Penn Manor Club now cover many of the acres of the King Farms; so do many of the homes in the northeastern part of Levittown. His legal fight with U.S. Steel over air pollution could well be a precedent for environmentalists.

There is much that could be said about him, and he said quite a bit of it himself in his interesting autobiography. This book, "Prairie Dogs and Postulates," privately published in March of this year, is well worth reading for anyone who can get a copy.

To Mr. King's wife, Lora, and the entire family, Mrs. Biester and I extend our most sincere sympathies.

Mr. RHODES. Mr. Speaker, I am pleased to have this opportunity to join my colleagues in memorializing the late Karl Clarence King. I came to the House while Mr. King was serving his three terms in Congress.

His unique background—newspaper reporter and farmer—gave him a realistic view of the Nation's farm economy. He served on the House Agriculture Committee during a time when many of the long-term programs were being considered. After leaving Congress, he returned to farm life, since that was his first love, reflecting his boyhood on a farm in the State of Kansas. The Congress and the Republican Party were well served by Karl King during his too-brief public career.

Mr. WAMPLER. Mr. Speaker, I was deeply saddened to learn of the death of our former coleague, the Honorable Karl C. King of Pennsylvania, with whom I had the opportunity to serve during the 83d Congress.

Having served with him on the Committee on Agriculture, I was fully aware of his dedication to his constituents and their interests. His work in Congress resulted in inumerable benefits to agriculture and the farming industry, and he continued this interest and dedication in his private life after leaving the Congress.

His contributions to the betterment of American agriculture will long be remembered, as well as his love for this Nation and the people he was elected to serve.

I extend my deepest sympathy to his family.

Mr. MORGAN. Mr. Speaker, I was saddened to learn of the death of the Honorable Karl C. King last month. Although Congressman King, a Member of the 82d, 83d, and 84th Congresses served a district at the opposite end of Pennsylvania from mine, I had many opportunities to discuss critical legislation and Pennsylvania problems with him. He was a valuable member of the Pennsylvania congressional delegation.

Karl's first love was farming, and his dedicated service on the House Committee on Agriculture reflected his intense interest in the welfare of both farmers and consumers. He fully recognized that a prosperous farm economy was necessary to insure an adequate food supply for this Nation's citizens, and he became known as the man who put fresh produce on thousands of tables along the east coast.

Karl's record of public service was exemplary. He served in the Navy during World War I, was chairman of a draft board in Bucks County during World War II, and was a charter member of the Morrisville Rotary Club.

Mr. Speaker, I would like to extend my sympathies to his widow and family; his life was an inspiration to us all.

Mr. ARENDS. Mr. Speaker, the loss of a friend is always a sad occasion, and the passing of a former colleague who also was a friend is a source of special sorrow. Karl King was not the type of man who sought the spotlight; rather, he chose to work diligently and without fanfare in all of his endeavors.

From his early years in Kansas to his last days in Pennsylvania, Karl demonstrated that dedication and hard work really do produce results. We recall during the 6 years that Karl was a Member of this House that he labored effectively and well as a member of the Agriculture Committee—an ideal assignment because of his lifelong involvement in various agricultural pursuits.

Karl never forgot those who made it possible for him to serve in Congress. His attention to the day-to-day needs and desires of his constituents brought him wide and well-deserved recognition for the thorough manner in which he served their interests.

Mr. Speaker, I extend to Mrs. King and the family my sincere condolences upon their great loss. Karl was a good man who will be sorely missed by all who knew him.

Mr. FLYNT. Mr. Speaker, it is with a feeling of sadness that I join the distinguished gentleman from Pennsylvania and other colleagues in paying tribute today to the memory of our former colleague from Pennsylvania, Karl C. King.

Karl King came to the House of Representatives in November 1951 having been elected to fill the vacancy caused by the death of Albert Vaughn, and he served in the 83d and 84th Congresses. He brought to the House experience as a journalist, farmer and businessman, and with this experience, his ability and knowledge benefited all of us who were privileged to serve with him.

In his concern and devotion to the American people, Karl King exemplified the model of the sincere and conscientious public servant. During his almost three terms in the House of Representatives, Karl gave untiringly to his constituents, the Commonwealth of Pennsylvania and our Nation dedicated and distinguished service. While serving in the House of Representatives, he earned the esteem and respect of all who were privileged to serve with him, and he always reflected credit on the highest traditions of his State, the Congress and the United States. He was a great American and a great Representative during his terms of service in this body, and he will be missed.

Mrs. Flynt joins me in extending to his family and loved ones our condolences and heartfelt sympathy.

GENERAL LEAVE

Mr. HANRAHAN. 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 Mr. BIESTER's special order of today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE MAALOT MASSACRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Illinois. Mr. Speaker, I was deeply shocked and horrified to learn of the massacre of Israeli schoolchildren by Arab terrorists yesterday in the town of Maalot. Twenty-five innocent Israelis, mainly teenagers, were killed and nearly 90 others were injured in a senseless act of violence that serves only to fan the flames of hatred and discord in the Middle East.

With the massacre at Maalot, the list of Arab terrorist attacks grows longer. Just over a month ago, a guerrilla attack in Kiryat Shemona left 18 civilians dead. Last year, in May, a shocked world witnessed the slaughter of 25 people at Tel Aviv Airport. Innocent Israelis have been victimized relentlessly during the last 6 years.

I condemn this wanton killing as barbaric and outrageous. I extend my sympathy to the victims' families and my support to the brave Israeli people.

ABC'S REASONER'S CALL FOR WORLD GOVERNMENTS TO CONDEMN PALESTINIAN TERRORISM

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, last evening, in adding his comment to the ABC Evening News, Mr. Harry Reasoner, in his direct and incisive manner, laid down a position which many concerned Americans must share. Certainly, I do.

With your permission, and with compliments to Mr. Reasoner, I hereby enter his commentary into the RECORD for my colleagues to consider well:

There is no point in underlining the revulsion any civilized person feels at the latest enterprise of the deranged section of the Palestinian guerrillas. It is proper, but not startling for Dr. Kissinger to express the shock this country feels. I am sure we will have similar natural statements from other leaders here and abroad. But, at this writing, we have not heard from the people that I would vey much like to hear from—and more than we have heard from them before following milder but allied sub-human behavior.

I would like to hear from the Russians. I think it would be good for their souls to disassociate themselves from something like this with perhaps a statement approximating the *fervor with* which they say it would be inhuman to let dotty old Rudolf Hess out of jail.

I would like to hear from the Egyptian and Syrian governments. Nobody expects the poor, beleagured Lebanese to do anything but dodge, but both the Egyptians and the Syrians now claim to have achieved a maturity and dignity justifying a new relationship with other countries.

I would like to hear from the passionately-concerned new governments of Africa, so quick on other causes, and from the French, and *maybe, if* there is anyone of substance there healthy enough to think about it, from the Chinese, in whose philosophical banner so many of these lunatics are cloaked. I would like to hear from the Saudis, and the Moroccans, and from the Libyans. I would like to see them show what one old American has called "a decent respect to the opinions of mankind." The depressing thing is I don't suppose we will hear from them.

There is a case for the Palestinian Arab, a strong case. But the behavior they and their friends swallow from their lunatic fringe makes it almost impossible to remember.

NEW ENGLAND BEARS BRUNT OF ENERGY CRISIS—FEO ACTION NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, despite the lifting of the Arab oil embargo and shorter lines at gasoline stations, the energy crisis is still very much with us; and its economic impact upon the New England region is particularly severe.

Because of New England's unusually heavy dependence upon residual oil for electric power—approximately 73 percent as compared with 37 percent for the Middle Atlantic region which is the next highest user—utility companies have directly passed on to the consumer the increased cost of imported residual oil by means of a sharply increased "fuel adjustment charge."

BLEAK OUTLOOK FOR CONSUMER

As a number of letters from constituents have pointed out, this fuel surcharge, which is applied at the discretion of the electric company, has risen from approximately $.07 per 100 KWH to $.83 per 100 KWH in less than a year. Unfortunately, this increase is so dramatic that were the utility companies to attempt to absorb all of the oil price rise, they would face bankruptcy. However, the average consumer is hard pressed in these inflationary times and in many cases faces a severe hardship. The following comments taken from constituents' letters reflect the problems they are confronted with:

We live in an electrically heated house. It is well insulated and we do not have any children. We never heated more than 2 rooms during last winter and used the water and appliances sparingly. The heated rooms were kept at 60–65° F., and we were forced to wear heavy clothing during the coldest months. In spite of these conservation methods, our electric bills were substantial. Based on the current rates charged by the electric company, next winter will produce bills over $100 per month . . .

* * * * *

I am screaming, screaming, screaming over the electric bill, which is now at fifty cents per KWH at the shop and eighty-three cents for the parsonage. Further, I have just talked to the rate man who assures me there is no limit to which this can go . . .

* * * * *

It has been the misfortune of most New Hampshire citizens to have been subjected to this blow on top of increased fuel rates. The utility companies have not been allowed to raise their rates, but instead have been making up for losses by their possibly discriminatory fuel adjustment charges . . .

* * * * *

How much higher can this fuel charge be increased? It is unreal, an increase of 80¢ per 100 KWH in only 17 months . . . The whole system seems to be out of control, and no indication anywhere that it is going to improve. How does one try to keep on, for what?

* * * * *

This letter is in regards to the outrageous fuel adjustment charges added on to our electric bill each month. Depending on whether you heat by electricity or just light, our bills run anywhere between $5 to $30 per month extra for this charge. We feel that this charge is unfair and unjust. We realize there is a so-called energy crisis and inflation but why should we as the consumer continue to bear the brunt of rising costs, etc., while the family paycheck remains stable . . .

FIGURES SUPPORT INEQUITY

A number of equally disturbing comments could be added to this list, but I am sure my colleagues, and particularly those from New England, are only too familiar with such letters. In addition to the impassioned consumer reaction, a number of facts compiled by the New England Economic Research Office add to the realities of the situation.

First. Residual oil prices are up 180 percent over May 1973. Natural gas and coal are up only 12 and 18 percent, respectively. The South, Midwest, and Southwest, which use primarily natural gas and to a lesser extent coal, therefore, have suffered much smaller energy price increases.

Second. Residual oil will cost New England utilities about $720 million more than last year if current prices hold at $12.50 per barrel. This will mean fuel adjustment clause increases to 30 percent or more of 1973 electric charges. The total profits of all New England utility companies $241 million, in 1972 were about one-third of the increase in oil costs alone.

Third. New England industry which uses residual oil directly faces fuel bill increases of $220 million in 1974. In the long run, the deterioration of New England's competitive position because of oil price increases will cost jobs. Roughly 25 percent of New England's industrial jobs are in industries where energy costs seem to be a major factor.

Furthermore, a Senate Commerce Committee study showed that New England uses only 1.3 percent of the Nation's natural gas, which has experienced a price increase in the past year of only 14.5 percent as compared to the 191-percent increase in the cost of residual oil during that same time period. This differential accounts for the fact that Southern and Midwest industries, utilities and consumers pay only an average of 30 to 40 cents per million Btu's for energy from gas, and to a lesser extent from coal while New Englanders pay $2 to $2.30 per million Btu's for energy generated from oil.

FEO ACTION NEEDED NOW

New England's pressing need for alternative sources of energy for electric power is certainly evident therefore, and Congress and the Federal Energy Office would be wise to address themselves to the problem before the people of New England face an economic disaster.

The Federal Energy Office could provide immediate relief in at least one area by vigorously implementing their legislative authority to equalize the

price of residual oil nationally. This would provide some help to New England because of our unusually heavy dependence—almost total—on imported oil which is not subject to domestic price controls.

In fairness to the Federal Energy Office, they are not alone. Congress could help by allowing utility companies in New England to convert existing facilities under reasonable conditions from oil to coal to save the consumers of New England as much as $10 million per month and the country over 100,000 barrels of oil per day. I will return to this subject in greater detail, however, at another time.

FORCED BUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MIZELL) is recognized for 5 minutes.

Mr. MIZELL. Mr. Speaker, as a Member of the House of Representatives I have always attempted to refrain from criticism of the work in the U.S. Senate. However, I cannot restrain myself from letting it be known how disappointed I am that the other body of this Congress did not take decisive legislative action yesterday to end the madness of forced busing of schoolchildren.

Our people throughout America cry out for a solution to this grave and growing problem. The House-passed legislation which would have offered a reasonable and sound solution to busing and 47 Senators saw fit to oppose ending this madness.

I commend those who voted for the amendment in the Senate and urge those who did not to return to their home States and face the parents of those children who are now being bused or who will be forced to have their children bused in the future.

Further, I urge that the House instruct the conferees when they are appointed to confer with the Senate on this bill not to return with anything less than the House-passed language on busing.

THE HOLY CROWN OF ST. STEPHEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 15 minutes.

Mr. HOGAN. Mr. Speaker, in 1945, the Holy Crown of St. Stephen was entrusted to the U.S. Government for safekeeping until such time as Hungary became free once again to function as a constitutional government established through free choice. The Holy Crown is a national treasure of immense historical and symbolic significance to Hungarians, and American-Hungarians, who believe that governmental power is inherent in the Holy Crown itself.

These proud people will never give up their dream of liberty and the U.S. Government must not do anything to discourage those who continue to resist oppression. It is disturbing to see articles, such as the one appearing in the Washington Post on May 14, which urge the returning of the Holy Crown back to Hungary. We must not break our sacred trust and thereby indicate our lack of hope in Hungary's future. The Holy Crown of St. Stephen must be kept in trust in America, and we must uphold the belief of Hungarians everywhere that someday freedom and independence will return to Hungary, as well as to other captive nations.

The Hungarian people have suffered greatly in their struggle for independence. The primary force contesting this independence has come from the great plains to the east of their lands. Hungary threw off the Mongol invaders, but the danger to the east now manifests itself in the Soviet presence. The Hungarian people have the historical claim to the area they inhabit as they were the first tribes to inhabit this region, known as the Carpathian Basin. The present Soviet occupation is a blatant example of the economic deprivation that either imperils or afflicts all nations within the Soviet sphere of influence.

The Hungarian freedom fighters aroused the sympathy of the free world in 1956. We have been reminded of their struggle recently by a dramatic event: the emergence of Josezf Cardinal Mindszenty after 25 years of imprisonment. Hungarian Catholics still respect him as their spiritual leader in spite of his absence from the public view. The valiant cardinal preferred to live imprisoned in his land rather than free, in exile. His patriotic courage serves as a symbol to Hungarians and all who cherish liberty.

In response to rumors that in the course of diplomatic negotiations, a possibility existed that the Crown may be turned over to the Communist Government in Budapest in an effort to promote American-Hungarian relations, I introduced in the 92d Congress and again in this Congress a concurrent resolution which expresses the sense of Congress that this not be done. The hopes of the oppressed people of Hungary for the future of freedom and liberty and the hopes of their brothers and sisters, the American-Hungarians in this country, will be dashed if the United States breaks its sacred trust and relinquishes the Holy Crown of St. Stephen to the present government of Hungary.

I include the following article at this point:

[From the Washington Post, May 14, 1974]

A COLD WAR RELIC

At the close of World War II, American troops acquired from Hungarian fascists the 1000-year-old crown of St. Stephen, the most precious historical relic of Hungary and its foremost symbol of national legitimacy. Incredibly, we still have it, though the ostensible basis of our holding it all these years—cold-war hostility to the Communist regime in Budapest—has long since been blurred by time, politics and good sense. It is shameful that the United States did not return the crown years ago.

The official American position is that the crown's return can only be considered in circumstances of the substantial improvement of Hungarian-American relations. Officials carefully—and inexcusably—avoid spelling out what this means. In fact, those relations have substantially improved in recent years. After the freeze that followed the Hungarian Revolution of 1956, ambassadors were again exchanged. Visits by leading figures are now routine. The departure of Cardinal Mindszenty from the American legation in Budapest, where he had taken sanctuary in 1956, removed a particularly troublesome obstacle. Agreement on American property claims was reached last year. Trade possibilities are being actively explored; the special hindrance there lies on the American side—in the Congress' failure to end tariff discrimination against Hungarian goods.

True, the United States did scold the Hungarians last fall for allowing transit to Soviet war supplies bound for Egypt. Yet no honest observer expected Hungary, which sits on the Soviet border and which is still occupied by Soviet troops, to buck Moscow on an issue of that magnitude. Indeed, if the United States does wish to encourage Hungarian nationalism in responsible ways, it defeats its own purpose by holding onto the crown. Keeping troops in Hungary is Moscow's way of trampling on Hungary's nationhood. In an important sense, alienating the country's most meaningful national symbol puts Washington in the same boat.

The real reason why the United States keeps the crown, we suspect, is a certain bureaucratic reluctance to avoid antagonizing a small number of Hungarian emigres who periodically get their congressmen to throw militant anti-Communist resolutions into the hopper. We cannot believe, however, that most of these emigres are not ready to support the magnanimous gesture of returning the crown of St. Stephen to its rightful home. A great power ought to be capable of conducting relations and resolving differences with small countries on the merits of matters, without the necessity of holding a relic as ransom for the performance of some unspecified political act.

THE MASSACRE OF SCHOOL CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, the savage massacre of defenseless Israeli children sickens and outrages decent people throughout the world. The insanity of making war on children defies human comprehension. This senseless slaughter serves as a tragic reminder of Israel's history of suffering—a history which is not forgotten—a history which must never be forgotten. These guerrilla crimes cannot be tolerated by any responsible government.

My heart goes out to the families of the slain children. It goes out to the Israeli people. It goes out to all who struggle and suffer and die so that others may live free.

RETURN VETERANS DAY TO NOVEMBER 11

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 5 minutes.

Mr. RUPPE. Mr. Speaker, while I cannot speak for the rest of my colleagues, I do know that one of the most articulate groups in my district is the veterans. Now this, in no way, is meant as a complaint—just the opposite is true. I enjoy hearing from them because I know from many past experiences that when they call or write, it is to voice a legitimate

complaint or offer constructive ideas. During the past year or so, I have heard a considerable amount of comment concerning two areas, and today I am pleased to introduce legislation that deals with these subjects. One should prove to be a substantial economic benefit to many veterans, and the other will reestablish a permanent day on which we can commemorate and honor these fine men and women who have served their country so well.

We all know how severely the spiraling rate of inflation has affected those with fixed incomes. This is especially true of those veterans who are dependent on their pensions for all, if not a large part, of their incomes. Many, finding themselves in tough financial straits as a result of constantly rising prices, no doubt would like to earn extra dollars to cover their living expenses. But because of the pension system, and specifically the income limitation written into it, this would be pointless. At present, these limits are $2,600 for a veteran or widow living alone, and $3,800 for a veteran or widow with one or more dependents.

I am proposing today that these ceilings be increased by $500 to $3,100 and $4,300 respectively. This would ease a severe financial hardship for many veterans. It is not a handout—it is not a dole—it is merely a realization that it costs more to live these days. If this minimal effort on the part of the Congress could provide the substantial benefit to over 2 million veterans, their widows, and surviving children, we owe it to these people in recognition of what they gave through their service to our Nation.

At first glance, the second piece of legislation may seem trivial to some, but the veterans whom I have spoken to are very serious about it, and I feel rightly so. A few years ago the Congress changed the date of Veterans Day from November 11 of each year to the fourth Monday in October. Many veterans were, and continue to be, very upset with this move. The holiday, originally known as Armistice Day, was established to celebrate the end of World War I, but in 1954 it was changed to Veterans Day to honor all of those who sacrificed so much for their country in all wars. November 11 took on an importance to the veterans. It was their day to be honored. It was a special day. Now, it is no certain day—it just happens to fall on the fourth Monday in October. It was changed so that we could have those convenient and enjoyable 3-day-long weekends. But, it was not convenient and it was not enjoyable for those people to give up those years of their lives which they dedicated to their national service. I sincerely hope that we return to these people the honor that is due them by returning Veterans Day to November 11.

OIL PROFITS AND TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, there is a good chance that the action taken by the Democratic caucus this week will channel the windfall profits of the oil industry back through the U.S. Treasury to the consumer.

The administration has tried to solve the energy crisis by sleight of mouth. We have been told that the crisis is over, and the word "problem," has been substituted for the word "crisis."

In the same way Mr. Stein of the President's Council of Economic Advisers has tried to do away with the current recession by redefining it.

Now the oil companies are trying to explain away their embarrassing, record profits through semantics. Chase Manhattan, the central oil bank, in its April special petroleum report, tells us that we do not understand the real meaning of the word "profits" and chides us for "widespread misunderstanding of the role profit plays in the free enterprise system." According to this report, the criterion for adequacy of after-tax profits is the amount of capital needed for an extended period into the future. And only the industry concerned can be a competent judge of this need.

In other words, only the oil industry itself can judge the prices it must set, and the profit it must make, after taxes, in order to supply us with the oil, which Chase Manhattan in truth says we cannot do without, at least for the foreseeable future.

This kind of explanation does not sit well at a time when the Nation as a whole is suffering from rising food and fuel prices and dwindling real income.

Last year, profits from oil production were $6 billion. These profits are expected to double this year. Under present tax laws, after-tax profits, according to Treasury estimates, are expected to rise from $4 to $9 billion—a windfall of $5 billion. The Oil and Gas Energy Tax Act, which the House Ways and Means Committee approved earlier this month, would increase the taxes the oil companies must pay this year by only $1 billion—leaving a windfall of $4 billion.

The amendments, which the Democratic caucus approved for House consideration, and which will be offered by my colleagues from Pennsylvania (Mr. GREEN) and from Ohio (Mr. VANIK), would do away with this windfall. The Green amendment, which calls for immediate repeal of the percentage depletion allowance for the oil industry, would bring increased revenues in 1974 of $2.6 billion. The Vanik amendment, which would eliminate tax advantages of U.S. oil companies overseas, principally by changing the foreign tax credit to a business deduction, could increase tax revenues by $2 billion yearly.

The Ways and Means Committee bill sounds good, but what it says it will do and what it actually does are two different things. The stated objectives of the bill are to tax the windfall profits of the oil companies, to encourage new investment in domestic energy resources, and to remove tax advantages for Americans producing oil abroad.

But the committee bill does not accomplish these objectives. It clearly does not go far enough in closing huge tax loopholes available to the oil industry. What the bill takes with the one hand it gives back with the other. It is a kind of shell game. Now you see the tax; now you do not.

Under one shell is the windfall profits tax, an administration formula for a graduated tax on oil sold above a certain price. Under another shell is the plowback credit, a rebate of the windfall profits tax, which companies would get for reinvesting profits in development of oil and gas or synthetic fuels.

Under one shell is a 5-year phaseout of the oil industry's 22-percent depletion allowance, for which cost depletion is substituted. Under another shell is postponement for a year of the phaseout, plus provision for three major exemptions. These exemptions could mean in effect a continuation of a 15-percent depletion allowance for a large part of the industry for the 5-year life of the act.

Under one shell, we find total repeal of the percentage depletion allowance for oil production overseas. Under another shell is a 52.8 percent limit on the foreign tax credit, the amount by which the oil companies can reduce their 48 percent U.S. tax on income earned abroad. The continued availability of these generous foreign tax credits would virtually cancel out the effect of eliminating the percentage depletion allowance on foreign oil and gas production. And the temptation for American oil companies to expand abroad instead of at home would remain.

Although there are problems in eliminating completely the present foreign tax credit as the Vanik amendment proposes, the 52.8 percent limitation in the committee bill is inadequate. There is merit in the argument that payment of foreign taxes in this instance does not constitute double taxation, but is a legitimate cost of doing business abroad. In any case, it is important that the House be permitted to vote on the issue. For this reason I strongly supported the caucus resolution on the Vanik amendment.

The plowback credit provision of the committee bill, besides being an unnecessary incentive for investment, would reinforce the monopolistic position of the big oil companies. It would discourage new entries in the energy field by consolidating in the hands of a few firms control not only over our oil resources, but over new energy sources like oil shale and liquefied coal.

The oil industry, more loudly than ever as its profits soar, is praising the virtues of the free enterprise system. I say, let the marketplace work. Eliminate the protected position the oil industry now enjoys. Remove the special tax privileges of the oil companies and let free market forces prevail. If we do so, there will be no windfall profits—only the fair profits needed to make the free enterprise system work.

ARAB TERROR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, yesterday we witnessed yet another unspeak-

able act of Arab terror in the Middle East. According to the latest reports 20 children and several townspeople have been wantonly and brutally machine-gunned to death and at least 70 more wounded.

Even against the background of long-standing bitterness, conflicting territorial ambitions, and bloodshed in the Middle East, the massacre of innocent children is incomprehensible. Golda Meir said yesterday that Israel does not wage war on the bodies of children. No civilized nation does, for such an act, even in wartime, is beyond any bound of human decency.

As we stand trembling with horror and anger at this latest outrage, we must remember that it is only one in a series of violent acts committed by Arab guerrillas; massacres at the Lod, Athens, and Rome airports, at Munich and Kiryat Shemona. How can we be shocked, then, that they would hold 85 children hostage in a mined schoolhouse, and then try to slaughter then?

Today's killings, however, expose the hypocrisy of the United Nations resolution which condemned Israel for its actions against Arab terrorists. It is heartbreaking to remember, as we contemplate today the deaths of more children, that the United States joined in that disgraceful resolution.

I believe that we in the House of Representatives, together with all Americans of conscience, must express our revulsion at the barbarous acts of Arab terrorists.

We must also express our determination that the United States never again join in condemning Israel for actions taken to protect itself against such terrorism. We cannot lend the moral support of this Nation to the insane murderers of innocents or to those nations which give them sanctuary.

Lebanon has, for years, harbored the terrorists—and in doing so, it is an accomplice in their crimes. It stands, in its pious protests against Israel actions, with the blood of children mocking its words.

There is one more lesson which we must grimly draw from yesterday's bloodshed: Israel must have defensible borders and adequate supplies of military equipment in order to protect itself. We have seen once again how vulnerable Israel is. I hope this will convince the President and Secretary of State Kissinger that Israel cannot and must not be pressured into negotiating away its security in the name of "disengagement."

HOUSING

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, about 6 months ago, the Council on Municipal Performance, a New York-based research group, released a study which revealed that Chicago's housing market is the fourth worst among the Nation's 30 largest cities. The study revealed that—

Chicagoans pay a greater percentage of their incomes for housing than the residents of 20 of the 30 cities studied;

Chicago has proportionately more units with inadequate plumbing than 18 of the cities studied;

There is more overcrowding in Chicago than in 20 of the cities studied;

Low income areas in Chicago pay more than twice as much in property taxes as do the high income areas; and

Finally there is a greater difference between rents paid by blacks and those paid by whites relative to their respective incomes in Chicago than in 25 of the cities studied.

What do these statistics mean in human terms? My district, the First Congressional District of Illinois, provides a very graphic example. My constituency is largely poor and black: 105,536 persons in my district, or 23.1 percent of the total population, have incomes below the poverty level. Of these, 94.5 percent are black. According to the study, blacks pay an unusually high amount of their incomes for housing, and since large numbers of blacks in my district are poor, the hardships these families face in finding and paying for adequate housing are readily apparent. The housing picture in my district is dominated by the overcrowding of the large housing projects, homes with little or no heat, homes in advanced stages of disrepair, and large numbers of abandoned buildings and vacant lots. The deteriorating housing situation has forced industry and many middle-class families to flee to the suburbs, leaving behind them a housing market which is too expensive for the average worker and which has too little to offer low- and moderate-income families.

In order to correct such a poor housing situation, a massive effort is required at both the local and Federal levels. At the local level, my constituents are responding in a positive and creative manner to this problem. Church groups such as the Coppin A.M.E. Church and Corpus Christi Church are raising funds for renovation projects and have instituted neighborhood pride programs in their communities. Community organizations, such as the Woodlawn Organization, are also expending considerable effort to provide housing and supportive services for the community. Local legislators, such as Illinois State Representative Harold Washington, are doing their part legislatively to improve local housing. I have organized a citizens' task force on housing which consists of some of Chicago's most prominent housing experts. They have been working to develop a plan for improving and stimulating the housing market in my district. Also, last week I introduced H.R. 14475, which would establish a direct, low-interest loan program to assist low- and moderate-income homeowners for an annual General Accounting Office review of the housing programs of the Department of Housing and Urban Development. This bill would provide some of the funds needed to arrest the deterioration of our communities, especially in inner-city areas and also would provide an additional tool to the Congress for evaluating the effectiveness of the Federal Government's housing programs.

Although there is significant action on the local level to correct the poor housing situation which exists in Chicago, long-lasting improvements cannot be brought about without a massive effort at the Federal level. How has the Federal Government responded to this challenge? Statistics show that its response has been grossly inadequate. The urban renewal program provides an excellent example of the Federal Government's inadequate response to the housing crisis. According to the National Urban Coalition, in a recent publication entitled "The Urban Agenda: An Action Plan for the 70's"—

> In the 25 year history of our federal urban renewal programs, for example, a total of $7.5 billion has been spent in the cities. While this figure may seem to be substantial, when compared with the more than $23 billion spent on farm price supports during the five fiscal years ending with 1973, we have a better concept of the weight given to such programs by our federal government.

Not only has the funding for urban renewal been insufficient, but also under this administration the housing situation for low income families has actually deteriorated. According to figures compiled by the Center for Community Change of the National Urban League, 47,000 substandard housing units have been demolished in Chicago's inner-city areas for public housing and urban renewal site clearance purposes over the past 20 years. However, over the same period, only 11,000 standard units were built on the land cleared by urban renewal. This means a gross housing loss for low income families of approximately 36,000 units. Thus we see a pattern very familiar to other large urban areas, and that is the displacement of large numbers of low-income families followed by the Government's destruction of large numbers of low-income housing units. The Government then fails to provide adequate replacement housing.

The Nixon administration's housing moratorium has placed a further burden on Chicago's housing market. In Chicago, Federal officials have estimated that the moratorium on Federal funds would cut off about $130 million in new construction every year it is in effect. In 1973, for example, the moratorium was directly responsible for a decrease in subsidized housing of 2,340 new homes and 3,750 new apartment units, a loss which we simply cannot afford.

Population and income statistics clearly indicate that at least one-fourth of my district's population must have some form of subsidy in order to obtain and maintain adequate housing. However, since the Federal housing effort has been inadequate in meeting the housing crisis, it is imperative that Congress enact housing legislation which will begin to adequately meet the housing needs of this country's families, especially low-income families. It is for this reason that I have cosponsored and strongly support H.R. 13985, which was recently introduced by my distinguished colleague, Congressman PARREN MITCHELL. This bill would strengthen and expand the low-income housing provisions of the housing legislation presently pendiing before the Committee on Banking and Currency.

Congressman MITCHELL of Maryland's bill would provide for the continuation and expansion of the public housing pro-

gram; increase operating subsidies in order to permit public housing to serve very poor people by providing adequate shelter; remove the present income limits for continued occupancy in public housing units; and establish local nonprofit housing corporations to receive public housing subsidies and permit these same corporations to provide housing for low-income families in the event that there is no public housing agency or an existing public housing agency is unwilling or unable to function. The enactment of all of these measures, in addition to the other provisions of the bill, is vital if we are to provide adequate housing for low-income families.

If we as a body are to seriously address ourselves to the growing housing crisis and the impact of that crisis on low-income families, legislation such as Congressman MITCHELL of Maryland's bill must be seriously considered and quickly enacted. Therefore, I strongly urge my colleagues on the Banking and Currency Committee to act swiftly and favorably on this bill.

THE HOUSING PROBLEM

The SPEAKER pro tempore under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, the administration has recently come forth with a "temporary solution" to our current housing problem. It has proposed a $10.3 billion mortgage subsidy program, designed to stimulate housing construction and provide some $3 billion of mortgage money to consumers at rates below the existing market. While this proposal may provide some temporary relief, it does not address itself to the essential problem of curbing the inflation which is at the root of the buyers', builders', and bankers' problems. In the past year, a good many Americans have felt compelled to withdraw their savings accounts, either to seek higher returns elsewhere or because they could no longer afford the luxury of savings. This has left the savings banks with precious little capital to lend on mortgages; the scarcity of mortgage money has, in turn, discouraged builders from new housing construction.

The savings institutions claim that the President's proposal will not bring depositors back to their doors. I think this is a very real concern, and I am thus introducing legislation which is designed both to stimulate deposits and to provide relief for the small depositor who is generally hardest hit when interest on savings accounts falls.

My bill would allow an income tax exemption on the interest on deposits in certain savings institutions. The bill is geared toward the small depositor and would not apply to interest that exceeds $400 in the taxable year—$800 in the case of a husband and wife filing a joint return. It would cover the interest—not to exceed $400—on any deposit or withdrawable account in a mutual savings bank, cooperative bank, domestic building and loan association, savings and loan institutions, or credit unions.

This legislation would not only stimulate deposits and create more lending money, but it would also provide a needed tax break to the average American, the "little guy," who has been hardest hit by inflation. It would also be of considerable help to the elderly on fixed incomes, and those who may wish to set aside funds for a specific purpose, like retirement.

At this point in the RECORD, Mr. Speaker, I would like to include a text of this measure, as well as an article that appeared recently in the New York Times which substantiates my reasons as to why a bill like this is necessary:

H.R. 14859

A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103(a) of the Internal Revenue Code of 1954 (relating to exclusion from gross income of interest on certain governmental obligations) is amended by striking out "or" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(4) any deposit or withdrawable account in—

"(A) a mutual savings bank, cooperative bank, domestic building and loan association, or any other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, or

"(B) a credit union described in section 501(c)(14)(A)."

(b) Section 103 of such Code (relating to interest on certain governmental obligations) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) LIMITATION ON EXCLUSION OF INTEREST ON CERTAIN SAVINGS DEPOSITS.—Subsection (a)(4) shall not apply to interest paid or accrued to the taxpayer during the taxable year on deposits and withdrawable accounts described in such subsection to the extent that such interest for the taxable year exceeds $400 ($800 if the taxpayer and his spouse file a joint return for the taxable year)."

(c) The heading of section 103 of such Code is amended by striking out "GOVERNMENTAL OBLIGATIONS" and inserting in lieu thereof "GOVERNMENTAL OBLIGATIONS OR SAVINGS DEPOSITS".

(d) The item relating to section 103 in the table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out "governmental obligations" and inserting in lieu thereof "governmental obligations or savings deposits".

SEC. 2. (a) Section 1232(a)(2)(C)(i) of such Code is amended by striking out "(relating to certain governmental obligations)" and inserting in lieu thereof "(relating to interest on certain governmental obligations or savings deposits)".

(b) Section 4940(c)(5) of such Code is amended by striking out "certain governmental obligations" and inserting in lieu thereof "certain governmental obligations or savings deposits".

(c) Section 4942(f)(2)(A) of such Code is amended by striking out "certain governmental obligations" and inserting in lieu thereof "certain governmental obligations or savings deposits".

SEC. 3. The amendments made by the first two sections of this Act shall apply to taxable years beginning after December 31, 1973.

[From the New York Times]

SAVINGS BANKERS SNUB NIXON PLAN—ASSERT MORTGAGE SUBSIDIES WON'T RESTRAIN INFLATION

PORTLAND, OREG., May 13.—Savings bankers were cool today toward President Nixon's $10.3-billion mortgage subsidy program because they said it would not curb the inflation that has driven depositors from their doors.

"It seems to me that this proposal causes inflation," said Vincent J. Quinn, chairman of the Mortgage Investments Committee of the National Association of Mutual Savings Banks, which is holding its annual convention here.

Mr. Quinn said the inflationary aspects of the Administration program, which centers on subsidies for both Government-insured and conventional mortgages to stimulate the housing market, would cause more depositors to seek higher returns on investments than they can get at savings banks.

"There is no substitute for a stronger anti-inflationary policy," he added.

Mr. Quinn's comments came during a panel discussion of housing and mortgage finance before more than 1,200 savings bank executives at the opening of the three-day meeting.

ULLMAN COMMENTS

Representative Al Ullman, Democrat of Oregon, who addressed the bankers, commented afterward that the program "subsidizes the inflation rates rather than working to reduce them." Mr. Ullman, a member of the House Ways and Means Committee, added, "I think Congress will have something to say about that."

James T. Lynn, Secretary of the Department of Housing and Urban Development, who participated in the panel discussion, said the President has been "very much worried" about the recent tendency of depositors to withdraw their funds, seek higher returns elsewhere and leave the savings banks with less capital to lend on mortgages.

"This man means business in this area," he added. "He is not going to let inflation continue to run away."

Near the end of the panel discussion, Saul B. Klaman, the association's chief economic officer, told Mr. Lynn: "We don't want you to leave here thinking that you have been sitting in front of a group of old friends. We have seen no indication that the Administration has a vigorous anti-inflation policy. What's the solution?"

BUDGET MOVE CITED

Mr. Lynn responded that the President and his economic advisers had tried to trim the Federal budget as a step toward reducing inflation. "If you compare the budget with the claims for funds, you'll see that some care was taken to cut it as much as possible," he said.

The savings bankers urged that they be allowed to vary mortgage interest rates periodically depending on the interest rate at which they must borrow to supply the home building money. In effect, they asked to be able to raise and lower existing mortgage payment bills depending on market conditions.

"We must come up with some variable type of mortgage instrument," said George P. Preston, a panelist and president of the United States League of Savings Associations.

Mr. Lynn agreed that the Federal Housing Administration ought to be given some power to experiment with the variable mortgage rate scheme. "We ought to try it. We may like it," he said. "I can see where this could be useful."

HORROR AT MAALOT

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I share the horror and repulsion of all civilized people over the murder of 16 children and the wounding of 70 others at Maalot.

This feeling of disgust and heartbreak is shared by all Members of the House of Representatives and, I believe, by all Americans.

While all of us are well aware of the highly emotional and volatile situation in the Middle East, there can be no justification for these bestial acts of terrorism. The deep and complex political problems cannot be resolved as Prime Minister Meir said, "over the bodies of children." This terrorism must be stopped and there must be no repeat of these atrocities.

It is painfully apparent, Mr. Speaker, that these terrorist raids are designed to subvert any chance of peace in the Middle East. But as we mourn the death of these 16 young people, and pray for the recovery of the 70 that were wounded, I hope that we will not lose sight of the desire of many people in the Middle East for a lasting and honorable peace.

Yesterday, I joined with over 250 of my colleagues in a House resolution abhorring this latest terrorist attack. The resolution goes beyond this and urges the President and the Secretary of State to officially condemn these acts and strongly urges those governments who harbor such terrorists to take appropriate action to rid their countries of these immoral people.

Further, I have written to Secretary General Kurt Waldheim at the United Nations to use his office to try to end what appears to be a systematic and ongoing plan for terrorism.

In conclusion, Mr. Speaker, I wish to offer my heartfelt sympathy to those parents and friends who lost children at Maalot. I sincerely hope and pray that this incident will provide the impetus for all combatants to recognize the horrors of continued conflict and hasten the establishment of a lasting peace.

THE MAALOT MASSACRE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 mintues.

Mr. DRINAN. Mr. Speaker, I rise in horror and disgust in response to the shocking events yesterday at the Israel village of Maalot. Words cannot adequately express the horror felt by all decent human beings around the world upon hearing of this senseless slaughter.

The tragic events at Maalot have followed a long series of earlier acts of major Arab terrorist activities. I would like to share with my colleagues at this time a list of these senseless acts, from the May 16, 1974, New York Times:

A list follows of major Arab terrorist activities since Feb. 10, 1970, when an attack on an El Al Israel Airlines plane at Munich killed one passenger and wounded eight. An Egyptian and two Jordanians were arrested but they were later set free.

July 22, 1970—Six Palestinians hijacked an Olympic Airways plane. None was brought to justice.

Sept. 6, 1970—Pan American, Trans World Airlines and Swissair planes were hijacked by Arabs. All were eventually blown up. None of the terrorists was arrested.

Sept. 6, 1970—A woman terrorist was wounded and her male companion killed in an attempt to hijack an El Al plane. The women was later released.

July 28, 1971—An attempt to blow up an El Al plane with booby-trapped luggage given to a woman by a male Arab friend did not succeed.

Sept. 20, 1970—A similar attempt to blow up another El Al plane failed.

Nov. 29, 1971—Wasfi Tal, Premier of Jordan, was assassinated by four Palestinian guerrillas while entering his hotel in Cairo. Suspects were taken into custody but no prosecutions have been reported.

Feb. 22, 1972—A Lufthansa airliner was hijacked to Aden where the hijackers were paid $5-million for its release. The hijackers went free.

May 8, 1972—Terrorists hijacked a Belgian Sabena airline to Lydda, where two men were killed by Israeli security guards. Two women were subsequently sentenced to life imprisonment.

May 30, 1972—Three Japanese gunmen belonging to the Popular Front for the Liberation of Palestine killed 26 persons at Lydda Airport.

August 16, 1972—A booby-trapped tape-recorder exploded in the luggage compartment of an El Al plane, causing slight damage. Two Arabs were released by Italian authorities after a short detention.

Sept. 5, 1972—Members of an Arab guerrilla organization attacked the quarters of Israeli athletes in the Olympic Village in Munich. Eleven members of the Israeli Olympic Team were slain. Five of the terrorists were killed. Three others were later freed.

Oct. 29, 1972—A Lufthansa plane was hijacked to Zagreb, Yugoslavia, where it was released after Arab terrorists responsible for the attack on the Israeli athletes at Munich had been set free. The hijackers were never brought to justice.

March 2, 1973—Eight guerrillas invaded the Saudi Arabian Embassy in Khartoum, the Sudan, and killed three diplomats. The terrorists were taken into custody and are reportedly awaiting trial.

April 4, 1973—Two Arabs made an unsuccessful attempt to attack passengers of an El Al plane in Rome. They were arrested but later released and sent to Lebanon.

April 9, 1973—Arab terrorists attempted to attack an Israeli plane at Nicosia, Cyprus. Eight were arrested and sentenced to seven years' imprisonment. They were quietly released later.

April 27, 1973—An Italian was killed in the Rome office of El Al by a Palestinian Arab who was later placed under psychiatric observation.

July 24, 1973—A Japan Air Lines jumbo jet was hijacked and blown up in Tripoli, Libya. None of the five terrorists was brought to trial.

Aug. 4, 1973—Two Arab terrorists killed five persons and wounded 45 in a machine-gun attack on passengers in the Athens airport lounge. Last week the terrorists were freed by the Greek government and given safe passage to Libya.

Sept. 28, 1973—Three Jewish immigrants from the Soviet Union were taken hostage aboard a train for Vienna. Austrian authorities arrested two Palestinians who were then freed and flown to an Arab country.

Nov. 25, 1973—Three Arabs hijacked a KLM jumbo jet and flew it to Abu Dhabi. There is no record of an arrest by Abu Dhabi authorities.

April 11, 1974—Three Arab guerrillas killed a total of men, women and children in the northern Israeli border town of Qiryat Shemona before dying themselves in the explosion of their dynamite charges while under siege by Israeli security forces.

There is no question now but that there must be a cooperative and concerted effort by all world governments and peoples to stop these acts of terrorism. There can be no complete peace in the Middle East until all governments in the area cooperate in an effort to halt the terrorist movement, and, instead, direct their energies toward improving conditions for their people and refugees.

Some will say that yesterday's slaughter of children was partly caused by Israel intransigence. But this is not so. The Israel Government as well as several Arab governments have been recently cooperating in the most promising peace effort that area has seen in over 25 years. With respect to this particular incident, the Israel Cabinet was willing to reverse their longstanding policy of noncompliance with terrorist demands. I quote directly from Mrs. Meir's televised speech following the incident:

The Cabinet decided that we do not wage war on the backs of children. We decided to meet the terrorists' terms and to release 20 terrorists as they demanded.

Mrs. Meir went on to describe Israel efforts to cooperate with the aid of the French and Rumanian Ambassadors. But the terrorists would not even grant the opportunity for the Israel Government to meet their demands. As Mrs. Meir said:

We realized we could not manage in time. Because at 5, the Rumanian Ambassador reached us with this plan. And even if we accepted it and even if we had agreed to fly the children to an Arab country, there was no possibility to do this, not even to fly the people to Nicosia, get the code word from them and afterwards fly the terrorists and our children to some place, and all this by 6. And we had no doubt whatsoever, as the terrorists insisted stubbornly and firmly that they would not budget a single minute after 6 P.M. And then it became 5:15, 5:20, and they were not prepared to extend the time, and there was no other possibility. And we knew that all the children were in danger.

Mr. Speaker, the unhappy result is history. We all mourn in sympathy with the parents and friends of these children. We pray for the wounded. And we will not forget the courageous words of Mrs. Meir:

And for all of us there is only one thing left: to guard in the most careful manner our strength and our spirit.

Our hopes lie in the continuing effort toward peace in the Middle East. We must go on with renewed determination to reach a lasting peace agreement; we must not bow to the political motives of the terrorists aimed at disrupting and undermining the peace efforts. It is more urgent now than ever that we achieve the long sought end to all hostilities in the Middle East.

MAALOT MASSACRE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, yesterday, May 15, as a result of another act of brutal savagery on the part of Arab

terrorist criminals, many innocent Israeli teenagers were killed and many more were injured at a school in Maalot, in northern Israel.

I am cosponsoring a resolution, introduced today by a bipartisan majority of the Members of Congress, expressing the outrage of the U.S. House of Representatives toward this evil and repugnant disregard for human decency and humanity's moral standards.

The resolution condemns this barbarity and all acts of terrorism and requests the President and the Secretary of State to call for international condemnation of this despicable act. It also requests the American Ambassador to the United Nations to introduce a resolution of condemnation in the Security Council.

The Congress also urges—

The governments who harbor these groups and individuals to take appropriate action to rid their countries of those who subvert the peace through terrorism and senseless violence.

Mr. Speaker, this slaughter of innocents is all the more tragic because at the moment it took place, intensive negotiations were going on to bring an end to all violence in the Middle East. Because these negotiations were delayed, the tragedy at Maalot threatens all prospects for peace, and that sad fact alone affects each and every one of us directly, and indeed, all of mankind.

During this time of unspeakable grief and sadness, I join all Americans in extending my deepest sympathy to the families of the dead and wounded, and to all of the people of Israel who must endure these terrible losses. Even as we enter this period of mourning, we must renew our hopes and our longing for the day when all of the Middle East can live in peace and security.

REGULATION OF THE INDUSTRY BY THE INDUSTRY AND FOR THE INDUSTRY

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 the principle of free enterprise is still alive and strong in the United States. We have come to a point in the development of our economy, however, where the practice of free enterprise and open competition is being severely endangered by the multibillion-dollar megacorporations that have proposed and grown into economic monsters capable of destroying anything that threatens their hold.

One of the most frightening of these monsters is the monopolistic complex that controls the most important means of modern communications—the telephone; the A.T. & T., ITT, Western Electric, Bell corporate conglomerate not only controls our lines of communication, but is now seeking to destroy its young competition which deals in the private sale of telephones.

This new industry is called interconnect coming from the principle that private telephone equipment is "interconnected" with the Bell lines for use. Interconnect received its start in 1967 with the Federal Communications Commission's Carter Phone decision which allowed distributors other than A.T. & T. and its confederate companies to sell telephone equipment.

Since that decision, the interconnect field has grown and small companies have sprung up all over the country. These companies sell equipment ranging from the simple telephone, that is familiar in most homes, to complex switching equipment used in large businesses and hotels.

Though most of the equipment sold by these private phone companies is far more modern and efficient than Bell can offer, the chief advantage to the buyer is financial. The interconnect customer buys his equipment rather than renting it from Bell. Depending on the method he uses for financing, the customer will eventually own his equipment and cease paying equipment charged entirely. He will also avoid the constantly increasing costs of renting from Bell and stabilize his costs when the equipment is free and clear. With prices constantly rising, interconnect was a welcome alternative in communication equipment.

What does this mean to the average consumer? It means that the private phone user can buy and pay just once for an extension to his home phone without harrassment by the phone company or expensive monthly rental charges. It means that where there are elderly or sick confined to an upstairs bedroom a telephone extension can be provided at a one-time cost to ease a difficult situation now made all the worse by spiralling rate increases now being sought by telephone companies.

A.T. & T., therefore, had to act quickly, and did so by instituting an "interfacing tariff" on all lines connecting to privately owned equipment. An interface is a small three pronged device which Bell installs between the wiring of the private equipment and the Bell lines "in order to protect the public utility lines from damage by direct electrical connection to foreign equipment". An interface, which has a value of about $30, is installed by Bell at a cost to the customer of between $15 and $25 a line per month. Thus, Bell and friends are not only hiking the overall cost of interconnect equipment up to a level more consistant with their own charges, but are making a nice profit on "self-protection".

A.T. & T. and A.T. & T. alone, has been the judge of whether or not equipment must be interfaced. It has enforced the interfacing requirement across the board, with no exception, whether or not the particular piece of equipment is or is not electrically harmful to their lines.

A.T. & T. thereby, regulates its competition. Though the courts have turned over several cases against the interface tariff to the FCC this Commission has failed to establish overall guidelines on the validity of the A.T. & T. claims, despite the fact that on those cases that have come up for hearings A.T. & T. interfacing requirements have been found to be illegal.

Congress must step in. We cannot allow one corporation to regulate another if free enterprise is still the basis of our economy. We must put the regulation of standards for private phone systems in the proper hands where they can be determined without bias to the consumer. Further, we must end the reaping of exorbitant profits under the pretense of "self-protection" by A.T. & T.

The FCC must not only determine when interface is necessary, but must approve devices based on their performance, not on who manufactures them. We cannot allow this gross misuse of power to go unchecked. We must act now to insure small businesses the right to grow or succumb on their own merits not according to the interests of multibillion-dollar companies.

At this very moment A.T. & T. is collecting thousands of dollars in unearned profits from consumers who decided to go with the competition. This practice must be stopped now. It is not only repugnant to the rights of competition, but to the freedom of choice of the individual who is being penalized for exercising that choice. We have to draw the line here and now. It is already too late when we look closely at this situation and find that the corporation is not only regulating its competition, but citizens and Government agencies alike.

The FCC must replace A.T. & T. as the controlling force in the new field of interconnect. We cannot permit this most dangerous phenomenon to go unchecked if we want the system of free enterprise to survive.

Therefore, I am introducing legislation today to remedy this appalling situation. This legislation would first, require the Federal Communications Commission to prescribe standards for all equipment attached to the public utility telephone lines, not only the individual pieces of interconnect equipment, but the interface devices as well.

Second, it would prohibit any telephone company from inhibiting the connection of FCC approved equipment to public utility lines. This legislation would require that the FCC prescribe its standards within 180 days after the enactment of this act and grants them the authority to assess violators up to $1,000 per violation, each day being considered a separate violation.

This legislation is both necessary and urgent. It is imperative that we act and act swiftly to stop big business from running roughshod over the American people.

LEGISLATION TO EXTEND POSTAL RATE ADJUSTMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

Mr. FORD. Mr. Speaker, on Monday, May 13, the Subcommittee on Postal Service on which I serve, unanimously reported out S. 411 which last week passed the Senate by an overwhelming margin of 71 to 11.

This legislation will extend the time permitted certain mail users to adjust to full postage rates. It is intended to deal with the current crisis affecting access

by the American people to magazines, books, small newspapers and other educational and cultural materials. The effect of this legislation would be to extend for a few additional years the time in which the Congress would appropriate funds to make up the revenue lost to the Postal Service, thus permitting these users to adjust more gradually to full rates.

Under the provisions of this bill, the number of years for the annual phasing of second-class regular (magazines and newspapers), special or book-rate fourth class (books and other educational materials), and controlled circulation publications would be increased to 8 years from the 5 years provided by the current law.

The number of years for the annual phasing of preferred second class, nonprofit third-class, and the special fourth-class library rates would be increased to 16 years from the 10 years provided by the present law.

While I supported this bill in committee, I do not believe it goes far enough in assuring the free flow of ideas through the mails. In 1972 and again last year I introduced the Education and Cultural Postal Amendments, which would have doubled the phasing of these rates from 5 to 10 years instead of the 3-year addition under S. 411. My bill would have also written into the statute a new requirement that the Postal Rate Commission take into account in recommending rates the following criterion: "The educational, cultural, scientific and informational value to the recipient of mail materials."

The Education and Cultural Postal Amendments which I introduced were approved last year by the full Post Office and Civil Service Committee; but unfortunately, due to the strong opposition of the Nixon administration, my bill could not even get a rule, and this body was denied the opportunity to debate the merits of my proposal.

Mr. Speaker, my chief concern since enactment of the Postal Reorganization Act has been the adverse effect spiraling postal costs have on our Nation's schools and libraries. These are the institutions most severely affected by the increases in special rate fourth-class (the book rate) since they pay the cost of postage on the books they receive. The rate increases which went into effect on March 2 represent an additional 43 percent increment for special rate fourth class. This is six to eight times greater than the average yearly increase voted by the Congress over the period of 1940 to 1970.

Repeated testimony by the American Library Association has estimated that some 50 percent of books received by libraries and college stores travel through the mail. In the case of smaller libraries, the volume of materials received via the mails is closer to 90 percent. Clearly, for schools and libraries each dollar increase in postal charges results in equivalent decreases in the amount of funds available for acquiring up-to-date materials for their collections.

While I would have preferred enactment of my expanded version of this legislation, I believe S. 411 is the best available means of assuring the continued dissemination of ideas through the mails. Failure to act on this legislation will have an adverse impact on the accessibility of informational services on which a large percentage of the citizens of this Nation depend.

Mr. Speaker, the principle of freedom of speech, cherished as a foundation of our democracy, can only be enhanced by positive efforts to assure reasonable postage rates for the transmission through the mails of boooks, magazines, and other scientific, cultural and educational matter. Once again, I would like to emphasize that S. 411 is not intended to set rates, but merely to reaffirm a long-standing congressional policy to insure the free flow of ideas through the mails.

I am hopeful that my colleagues on both sides of the aisle will support this legislation when it comes to the floor for consideration.

THE UNITED STATES SHOULD SUSPEND DIPLOMATIC RELATIONS WITH LEBANON; INSTITUTE ECONOMIC SANCTIONS; CALL FOR IMMEDIATE SECURITY COUNCIL SESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG), is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, the news reports from Israel of yesterday and this morning bring anguish and grief to all people. The murder of children is the most heinous of all crimes. Yesterday's actions by the Arab terrorists is beyond the pale of human behavior.

Yesterday morning I cosponsored a House resolution condemning the action of the Arab terrorists and calling on the President to direct the U.S. Ambassador to the United Nations to secure a Security Council resolution condemning this act of terrorism. But the events of yesterday afternoon make the resolution seem somehow inadequate.

Last night I sent the following telegram to President Nixon and Secretary of State Kissinger asking the United States to suspend diplomatic relations and institute economic sanctions against Lebanon:

> The murder of the Israeli children is ghastly and horrifying, but it requires more than conventional expressions of regret. I call upon our government to immediately suspend diplomatic relations with Lebanon and institute an economic boycott of that nation until it acts decisively against these heartless terrorists. Our government should also call for an immediate and extraordinary session of the U.N. Security Council to express its unanimous condemnation of this terrible crime.

Clearly, this desperate and violent action was intended to disrupt efforts to find a peaceful solution to the Middle East crisis. That effort must go on, and the survival of the Israel nation and the right of its people to live in peace and security must be guaranteed.

GSA SEEKS TO PLAY BIG BROTHER

(Mr. MOSS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, periodically a Federal agency oversteps its legally formalized bounds, challenges the Congress and endangers the people by its initiatives. Such a situation has just been brought to light at the General Services Administration, and I believe the anatomy of this situation should be aired on the floor of the House.

From time to time proposals have been advanced that government create a national data center of some kind. Civil libertarians from all shades of the political spectrum have risen in vigorous opposition to such initiatives, mindful of the potential for governmental invasion of individual privacy. Ten years ago such a proposal was exposed and destroyed by an alert Congress. Today, another attempt is being made to bring such a system into being.

In meetings with GSA personnel, staff members of the Subcommittee on Foreign Operations and Government Information of the House Government Operations Committee have unearthed admissions of such a plan. Staff members of Senator ERVIN's Subcommittee on Constitutional Rights joined in these efforts. At issue is a GSA plan to create a national telecommunications computer network, ostensibly for GSA and the Agriculture Department. These plans have been formulated since mid-1972.

The 8-year effort envisions a five-site network, with an optional four more sites. Minimal cost for this creation, largest nonmilitary computer acquisition in American history, is $90 million, with a possible figure of $200 million, without cost escalation due to inflation. The project is known as FEDNET, although GSA people refer to it by its more innocuous title of "new equipment project."

In the past year, both subcommittees have held hearings on this and related subjects. GSA has appeared before both bodies. Each time, the agency replied in the negative when asked if new computer networks were contemplated. When queried in writing by both subcommittees about new computer networks in this timeframe, the agency replied in the negative.

Meanwhile, using the automatic data processing fund voted in good faith under the Brooks bill—public law 89–396—GSA began to quietly notify potential contractors that procurement was envisioned.

This system is modular by nature, thus making it capable of infinite expansion. Talks were held between GSA and several agencies, including Social Security, Veterans' Administration, Agriculture, and Customs. The National Bureau of Standards, required by law to do so, supplied technical advice.

Because the system was deliberately designed to be massive, only huge contractors could support procurement, guaranteeing the largest system possible.

Should such a system be created, virtually every Federal agency would beat a path to GSA's door, knowing that only in this manner could it guarantee access to the most modern third generation of computers. The telecommunications aspect of the system is its most perni-

cious aspect, allowing computers to exchange information. In effect, our privacy is today protected by fragmentation. FEDNET would end this protective fragmentation, allowing any individual's privacy to be invaded who had interacted in any way with the Federal Government. We would be dependent for our privacy on the good will of the operators of the system. And in light of the ongoing revelations in this city, the obvious conclusions can be fairly drawn.

Using the ADP fund, GSA sought to present Congress and the Nation with a "fait accompli", simultaneously approaching Congress with a measure allowing it to use multiyear leasing. In such a manner, not only would they be able to use the ADP fund to procure equipment, but with multiyear leasing they would not have to come to the Congress for years at a time for authorization, appropriations, or oversight. It was a total perversion of the Brooks bill, the ADP fund, the intent of Congress and the housekeeping function of GSA.

When I discovered this and queried Mr. Sampson of the GSA, a number of other Members of both bodies expressed their strong feelings in communications to the head of that agency. Senators ERVIN, GOLDWATER, and HRUSKA wrote him in protest. Our distinguished colleague, Mr. MOORHEAD, chairman of Foreign Operations and Government Information, protested. Vice President FORD spoke out against FEDNET specifically last Thursday in Chicago before the National Computer Conference.

The White House Office of Telecommunications Policy has stated its reservations, as had the Office of Management and Budget. OMB has specifically asked GSA to drastically curb its procurement.

This Tuesday, in Appropriations Committee hearings, when our distinguished colleague, ED ROYBAL of California, asked that Mr. Sampson submit FEDNET plans in writing to Congress, Mr. Sampson vehemently demurred, leaving us to draw the obvious conclusions. Mr. Sampson piously mouthing his desire to protect everyone's privacy, has evinced his intention to continue with procurement of the system for GSA and Agriculture, openly inviting Congress to fly a kite.

It is central to the thrust of this statement that Members know that today no system is known by the computer industry whereby time sharing can be prevented from becoming data sharing. IBM is presently engaged in a $50 million crash program aimed at finding some crude method of preventing this, to protect its worried commercial clients. Yet Mr. Sampson speaks of protecting the privacy of Americans. In the name of heaven, how? It is impossible. Yet he proposes to continue building his totally unauthorized system.

This system is so large, and possesses such potential for invading the privacy of every citizen, that it cannot be commenced without specific congressional approval. Intensive hearings are required and written submissions must be made by the agency. GSA seems to believe it is a law unto itself Therefore, the Congress must remind this agency that it is subject to congressional oversight and approval. Further, I believe these hearings should also serve an oversight function, for the circumstances surrounding GSA's activities vis-a-vis FEDNET are so unusual as to require such probing.

At this point I include appropriate correspondence on FEDNET in my remarks for the enlightenment of this House:

U.S. SENATE,
May 6, 1974.

TED TRIMMER, Esq.
General Counsel, General Services Administration, Washington, D.C.

DEAR MR. TRIMMER: On Friday, May 3, at your suggestion, you and other members of the GSA met with members of the Constitutional Rights Subcommittee staff and those of Congressmen Moss and Moorehead. The subject of the meeting was the proposed FEDNET project which just recently came to our attention.

The FEDNET proposal raises serious issues of privacy and the role of Congress in policy decisions in this area. As now contemplated, the proposal is to combine procurement and systems design to be compatible with those of other government agencies, with a view to cooperative computer usage in the future. At present the plan envisages compatible systems for GSA and the Department of Agriculture, but with the capability of adding other departments in the future. Such a massive system poses the possibility of nationwide computer sharing, with obvious and immense implications for privacy. Indeed a similar proposal in the 1960's for a National Data Center was rejected by Congress after much public outcry. Congress received an explicit commitment then that no such project would be undertaken without full public debate and express statutory authority. It is our understanding that GSA has proceeded with its project on the good faith belief that it has full statutory authority already and that the privacy implications were minor or nonexistent.

We understand that in the meeting you and your associates acknowledged that our privacy concerns are valid and agreed that GSA should review the project in this light. It is our strong belief that we must subject the FEDNET concept and similar major data systems proposals to full legislative scrutiny and to require explicit legislative authorization before any of them are undertaken. You expressed your personal view that these would be appropriate for FEDNET, and said you would urge that GSA take the position that the FEDNET concept should be the subject of express statutory authorization. You also agreed that a letter would be forthcoming from GSA to us and other interested legislators by May 10 containing GSA's decision on this point.

We cannot stress too much our insistence that this is the only way to proceed. Public and congressional concern with privacy makes it necessary that all such proposals receive public scrutiny of this kind. In this regard, you may be familiar with proposals we have introduced (S. 2963-Ervin, S. 2964-Hruska and S. 2810-Goldwater), and which have already been the subject of hearings before the Constitutional Rights Subcommittee. The President's Privacy Commission, headed by Vice-President Ford, was established for this purpose.

We appreciate the speed with which you acknowledged the validity of this concern, and the promise of full cooperation that you made. We look forward to Mr. Sampson's letter and we are confident that with this joint cooperation, both the legitimate needs of citizen privacy and government efficiency can be accommodated.

With kindest wishes,
Sincerely,

SAM J. ERVIN, Jr.,
ROMAN L. HRUSKA,
BARRY GOLDWATER.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 8, 1974.

Hon. ARTHUR F. SAMPSON,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: As you know, staff members of the House Committee on Government Operations and Senate Committee on the Judiciary met with key officials of your agency regarding plans for a national computer and communications network called FEDNET.

During the course of this meeting questions arose as to some of the potential dangers of such a system to the right of privacy. The fears were expressed because of 1.) the modular nature of the system which permits many Government agencies to become a part of it; and 2.) the simplicity in converting such a system from strictly time-sharing to a data-sharing operation.

If both of these possibilities became a reality, the result would be a national data center. Assurances were given to this committee several years ago that no national data center ever would be established without the specific authorization of the Congress.

From the comments of your officials, it is apparent that little or no consideration was given to the invasion of privacy possibilities of the system or that it could easily become subject to legislation currently pending in Congress in regard to citizen access to records, transfer control and proposed rights to correct and supplement data.

In our opinion, the FEDNET plan is fraught with major policy implications which require detailed review by Congress before steps are taken to advance it beyond current applicability.

With kind regards,
Sincerely,

WILLIAM S. MOORHEAD,
Chairman.

REMARKS BY VICE PRESIDENT GERALD R. FORD

I thank you for this opportunity to address the 1974 National Computer Conference and Exposition.

The invitation extended by the American Federation of Information Processing Societies was timely. I am learning about computer technology and data processing from the viewpoint of my new responsibilities as Chairman of the Domestic Council Committee on the Right of Privacy.

I am aware that the notion of leaving the protection of individual privacy to Government officials has been compared to asking the fox to protect the chicken coop. But five months ago—when the most intense investigation ever focused on a nominee for the Vice Presidency was directed at me—I awakened to the privacy issue in a very real and personal sense. I was one of the chickens.

On a previous visit to Chicago, I had occasion to refer to some foxes who passed themselves off as elephants in the 1972 election. I am speaking of some characters in the CREEP organization and CREEP's invasion of the privacy of political opponents. This made me more aware of what could happen to our sacred right to privacy. I deplore such violations of traditional standards of honesty and decency in our political life.

I told President Nixon of my concerns, and he appointed me chairman of the Committee on the Right of Privacy. I welcome the challenge.

I know that there have been previous commitments, previous studies, and previous recommendations to deal by legislation with privacy problems. It is too early to forecast the outcome. I realize that too many findings have been ignored and too little actually done. The time has come for action. I will do all in my power to get results.

My first act as chairman involved complaints about an Executive Order of the President that permitted the Department of

Agriculture to review the income tax returns of farmers to obtain data for statistical purposes. The President asked me to look into the matter. I immediately discussed the Executive Order with Secretary Butz and recommended that it be withdrawn. The President accepted my recommendation.

Let me tell you about the development of the Committee that I head. I wanted to chair this Committee with a staff of our own selection. I asked my former law partner, Philip Buchen—a distinguished advocate of personal freedom—to come to Washington as the Committee's Executive Director.

Interagency task forces were formed to make recommendations. Contributions have come also from the Congress, State governments, industry, citizens' groups, private individuals, academic experts, and some Federal agencies not represented on the Committee. We wish to invite our hosts, the American Federation of Information Processing Societies, and all constituent groups to become involved.

Today I would like to cite an example of a development that concerns our committee. The Government's General Services Administration has distributed specifications for bids on centers throughout the country for a massive new computer network. It would have the potential to store comprehensive data on individuals and institutions.

The contemplated system, known as FEDNET, would link Federal agencies in a network that would allow GSA to obtain personal information from the files of many Federal departments. It is portrayed as the largest single governmental purchase of civilian data communication equipment in history.

I am concerned that Federal protection of individual privacy is not yet developed to the degree necessary to prevent FEDNET from being used to probe into the lives of individuals.

Before building a nuclear reactor, we design the safeguards for its use. We also require environmental impact statements specifying the anticipated effect of the reactor's operation on the environment. Prior to approving a vast computer network affecting personal lives, we need a comparable privacy impact statement. We must also consider the fall-out hazards of FEDNET to traditional freedoms.

I can today make known that the Privacy Committee staff is proceeding with a project to develop recommendations for assuring that personal privacy rights are given systematic and careful consideration in the planning, coordination, and procurement of Federal data processing and data communications systems.

Our objective is to formulate an action plan by June 30. An interagency task force has been given the assignment.

Assignments have also been made for other task forces to work on problems involving:

Social security numbers;

Protection of personal privacy interests of Consumers.

MAY 9, 1974.

Hon. ARTHUR F. SAMPSON,
Administrator, General Services Administration, Washington, D.C.

DEAR ART: This is in regard to your April 2, 1974, letter concerning GSA's proposed acquisition of ADP and telecommunications equipment. We have carefully reviewed the extensive volume of material supplied by GSA and have discussed the matter with representatives of the Department of Agriculture and the Office of Telecommunications Policy.

We have concluded that your pending Request for Proposal (RFP CDPA 74–14) to acquire nine computer sites and a data communications network should be withdrawn. The proposed data communications network is not responsive to the Department of Agriculture requirements. Moreover, the pending procurement is inconsistent with guidance of the Office of Telecommunications Policy which has called for termination of the proposal.

There is no economic advantage to the proposed acquisition of the initial GSA site. More importantly, there are a number of viable alternatives which would satisfy CSA's internal processing requirements. These include: Reutilization of Agriculture's IBM 370–168 computer which will be replaced by the new equipment now being procured, use of excess USDA capacity which will be available at the new sites, purchase of a smaller computer for GSA for use along with commercial ADP services.

With regard to the three optional GSA sites, there is no identifiable workload associated with there machines nor is there an assurance that this particular configuration will satisfy future needs. In addition, considering the "single prime contractor" approach of the RFP, the relative inflexibility of the data communications requirements, and the potentially limited competition, the solicitation for these three options is not without inherent cost to the Government. Finally, the proposed acquisition of ADP and telecommunications capability for unspecified uses poses a serious potential threat to the right of privacy at a time when this issue is under intense review by the Executive Branch and the Congress.

In view of the above consideration, GSA should take the following actions:

1. Immediately withdraw the Request for Proposal (RFP).

2. Reissue a new RFP limited to four firm and two optional sites (one for USDA and one for GSA). The GSA option should only be exercised after a thorough review of available alternatives and the necessary budget approval has been obtained.

3. The communication requirements should be acquired separately in accordance with OTP guidance and should be restated in a manner acceptable to the users.

Any procurement of ADP and telecommunications equipment or services with funds available to GSA may be obligated only in accordance with guidance contained in this letter.

Sincerely,

ROY L. ASH,
Director.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 15, 1974.

ARTHUR SAMPSON,
Administrator, General Services Administration, Washington, D.C.

DEAR MR. ADMINISTRATOR: I am afraid that your May 10th, 1974 letter leaves several questions unanswered, only partially answers others and offers responses to some queries that are prone to misinterpretation.

To begin with, according to my best information there is no existing system or contemplated system known to the computer industry guaranteeing that time-sharing on computers will not be turned into date sharing. If I am in error I will be pleased to review your proof of my error.

IBM is engaged presently in a crash $50 million undertaking to find even a few primitive barriers to such invasions of privacy among computer users. If they cannot offer such a defense to their massive list of commercial users, how does FEDNET propose to do so? Therefore, your disclaimers and assurances of seeking to avoid any invasion of privacy under such a system are, although sincere, meaningless in an effective sense.

I have been joined in voicing vigorous protests against this endeavor by a bipartisan group of people in public life. You have received such communications from Vice President Ford, Senators Ervin, Goldwater and Hruska, Congressman Moorhead of Pennsylvania, the Office of Management and Budget and the White House Office of Telecommunications Policy. OMB has formally asked you to drastically curb the limits of your ongoing procurement effort. Nevertheless, in spite of these efforts, you inform me that GSA is going ahead with its plans to bring into being telecommunications computer network, on a modular basis, between GSA and the Department of Agriculture.

Both the Subcommittee on Foreign Operations and Government Information of the House Government Operations Committee and the Senate Constitutional Rights Subcommittee have held hearings on this subject in the past year. GSA appeared before both of them. In each case, GSA was asked whether or not new computer systems were being contemplated. In each case, GSA told these two committees that no such effort was underway. Yet your own personnel have informed Congressional staff people on these two subcommittees in recent meetings that FEDNET was begun in summer of 1972. Both these subcommittees repeated their queries in writing to GSA and received the same negative responses. Obvious conclusions can be drawn from these findings.

It is obvious to me and a growing number of Congressional observers that both the intent and will of Congress in creating the Automatic Data Processing Fund are being willfully violated by BSA in forging ahead with FEDNET. Such action is a perversion of the ADP fund and Congressional intent. Intensive hearings are required because of the unprecedented size of this procurement and the system it envisions. Its potential impact on our society and privacy of every American is so vast and pervasive that explicit Congressional approval must be given.

Ten years ago, when another such national data center was proposed, the Congress expressed its fears for the privacy of Americans.

On May 9th, 1974, Vice President Ford stated his concerns to the National Computer Conference:

"I am concerned that Federal protection of individual privacy is not yet developed to the degree necessary to prevent FEDNET from being used to probe into the lives of individuals . . . We must also consider the fallout hazards of FEDNET to traditional freedoms."

In light of this overwhelming evidence, I find your vehemently expressed reluctance in House Appropriations Committee testimony on May 14th, 1974 when asked to submit FEDNET plans in writing to Congress, difficult to understand, and can only draw obvious conclusions.

I am therefore proceeding to request that formal oversight hearings be held in both houses of Congress into this state of affairs, and that appropriations for this undertaking be withheld from your agency.

JOHN E. MOSS,
Member of Congress.

THE LARGEST CIVILIAN GOVERNMENT COMMUNICATIONS PROCUREMENT IN HISTORY

IMPACT

Bids on "the largest civilian government data communications procurement in history" were about to be requested by the General Services Administration (GSA) as we went to press. Worth "over $100 million," according to one knowledgeable source, the RFP encompasses a nationwide packet-switched network, and represents the first phase in development of a consolidated government-wide information utility called FEDNET, which is likely to have far-reaching impact not only on data communications technology, but also on government dp systems procurements.

M. Shy Meeker, commissioner of GSA's Automated Data and Telecommunications

Service (ADTS), the agency that will manage the new supersystem, indicated its effect on procurement policy during a recent speech in Dallas:

"We ... see FEDNET becoming an indispensable tool to GSA and other agencies for responding to and managing future change." While this "does not mean we will operate all, or even a majority, of the government's teleprocessing activities, it does mean that (the upcoming procurement) will allow us to start to link the vast majority of federal computers into a truly integrated teleprocessing resource."

Meeker estimated that the new data communications network (DCN), as it evolves into FEDNET, "will allow GSA to satisfy 50% of the growth (in federal teleprocessing needs) over the next 8–10 years." Remaining needs will be met by continuing to let user agencies acquire their own systems, contracting with private service bureaus, and negotiating bulk hardware/software buys via "mandatory requirements contracts," on behalf of agencies with similar requirements. "But we will do all of this with an eye toward government-wide needs instead of individual agency needs," Meeker added, "and we will link major systems with (FEDNET) to insure easy communication and maximum utilization."

The new network, ultimately, will "make virtually every modern computer in the government accessible anywhere in the nation," explained Meeker. "So, when agency X has a requirement for information processing, it will have a number of alternatives. If the requirement is small or of short duration, we'll find time for that requirement on a government-owned machine or on a commercial machine, under government contract. If the requirement is a large one or of a continuing nature, we or the agency *might go out* into the marketplace to procure, on a competitive basis, a machine to do the job, and tie it into the data network. If, because of unforseen circumstances, the agency does not fill the machine, its link to the data network would assure that its excess time could be sold to another agency. Or, on the other hand, if the agency outgrew a machine, but could not justify acquisition of another, then we would find time on a brand-name specialized system designed to meet spillover demand."

FEDNET is one of four big steps being planned by GSA to improve dp system utilization within the federal establishment, Meeker explained.

Multi-year leasing

Legislation is now pending in the Senate, and is expected to be introduced shortly in the House, enabling the agency to expand its use of multi-year leasing. The main aim is to cut costs—not only by exploiting the lower charges inherent in multi-year leases compared to one-year contracts, but also by creating a pool of used equipment that can eliminate some agency acquisitions of new equipment.

If GSA obtains expanded multi-year leasing authority, the next step, although it's some time away, according to Meeker, will be full capitalization of the adp revolving fund set up by the Brooks bill. Basically, GSA would take title to all the general purpose computers in the federal government. As Meeker explained it recently in Dallas: "Full capitalization includes the concept that GSA would have all of the government's adp dollars in its pocket in order to deal with the government's adp suppliers for discounts ... In addition, (full capitalization) would permit GSA to employ government-wide needs as a basis for lease versus purchase determinations, taking into consideration secondary usage or residual value, and would permit GSA eventually to establish government-wide prices for the use of adp which would encourage realistic sharing of existing resources." Full capitalization also would enable GSA to "directly compare government cost to commercial cost, and permit the President and Congress to be aware of the actual adp cost of the various agencies' programs as they review them in the annual budget process."

Service Bureau discounts

Within the next month, GSA is expected to announce a new scheme for contracting with outside service bureaus. The basic goal is to reduce the costs of outside computational services, which currently amount to roughly $50 million a year, Computer Sciences Corp. (CSC) has the biggest single slice of this business—about $12 million/year. It won a GSA contract several months ago to service federal agencies across the nation, by offering machine time at discounted rates.

The discount, which varies depending upon volume, currently averages close to 40%. The other federal contracts for computational services are negotiated by the using agencies and generally don't include discounts. GSA hopes to change all that. One way was suggested by Meeker in Dallas when he said the agency was considering the establishment of "mandatory multiple award schedule contracts for the entire service bureau industry"—i.e. vendors would be listed on a procurement schedule, like those now used for hardware and software, and federal users would be able to procure time only from them. To get listed on the schedule, however, the service bureaus would have to offer discounts.

Although Meeker and other GSA officials don't emphasize it, one major effect of these changes will be to give the agency greater control over federal dp expenditures, and the users less. Asked whether this shift might cause problems, Meekers indicated that it shouldn't because, under the Brooks bill, GSA can't interfere with a user agency's decisions regarding system requirements, specifications, or applications.

THE SYSTEM

GSA's upcoming rip encompasses computer systems for a maximum of nine dp centers, as well as the hardware and software needed for the network. Four of these centers will be operated by the Department of Agriculture; they will be used entirely for that agency's in-house dp requirements. The remaining centers are to be operated by GSA, and will offer service bureau services to the entire federal government. Capability to handle both interactive and remote batch jobs is requested in the rip (although the latter applications won't be supported initially).

GSA plans to start with one new service bureau center, and hopes to add the others at two year intervals. This first center will interface with the 10 service bureaus GSA is now operating, and will supplement the applications they are supporting on second-generation systems. These latter systems will be replaced, over the next 3–4 years, through a separate procurement.

The result of all these buys, said Meeker, will be an in-house service bureau network with "many times the computing capacity" of the present one.

He and other GSA officials refused to discuss the rip (because it hadn't yet been issued), but from outside sources we learned that the design calls for a packet-switched network based on a maximum overall message block length of 1024 characters, of which about 1000 represent data. Ultimately, there will be eight computerized switching centers (SCs), connected to each other and to the adp centers by 9600 bps, or higher-speed channels. Users will be linked to these centers through a total of 16 mini-computerized regional concentrators (RCs); 4800 bps, channels will connect the RCs to the SCs, and channels between the terminals and the RCs will have a maximum capacity of 2400 bps. The ultimate system is designed to support "several thousand" terminals.

Each RC reportedly will have approximately 48 input ports and dual output channels. SCs will have four output and 12 input channels. The network is configured so that each adp center is tied to two SCs, and each SC is tied to two RCs; this arrangement is designed to minimize delays in case of transmission link failure.

The network will utilize a synchronous, continuous bit stream to transmit messages, and thus will be completely code transparent. Both synchronous and asynchronous terminals will be attachable to the extremities of the net. In many cases, according to our sources, a special interface will be needed to connect an already-installed remote terminal, particularly if it's a computer. Essentially, this is because of differences between terminal and network communication protocols (although the latter haven't been worked out yet—GSA apparently is relying on the bidders to develop workable schemes).

It hasn't yet been decided whether the interface, analogous to the "terminal interface processor" (TIP) used by the ARPA network, will be supplied by GSA as part of the network package. If not, the user would have to acquire it on his own.

The goal is to transmit a typical message through the network in two seconds or less. The system will be monitored continuously from a central location, but whether GSA provides dynamic load balancing reportedly depends on what bidders offer. A decision on the scheme for rerouting traffic around a failed link is also being deferred until after the bids come in.

Soft spots

A data communications engineer who is familiar with the rfp says the network design "seems to be adequate" but he pointed to a number of "soft spots."

The ACK/NAK procedure GSA plans to use will add significantly to transmission overhead. Essentially, each network node must acknowledge receipt of each message from the preceding node, even in the case of interactive communications. In other systems, we were told, no ACK/NAK, as such, is used for interactive traffic. If the sender doesn't receive a reply within a specified time, he simply sends the message again. Also, in the GSA network, each node will keep a copy of the message in secondary memory until it receives an ACK from the following node. An alternative scheme, which reportedly reduces the need for memory, involves keeping a record at the network entry point until an acknowledgement is received from the exit point.

The network will have no polling capability, even though there is said to be a "substantial need" for it. Adding polling software to the RCs reportedly would be "quite possible." RJE applications also will be excluded, although this is apparently justfied, on the grounds that RJE messages—because of their length—don't make efficient use of packet technology.

Whether users will have a voice in the operation of the network, particularly regarding such matters as charges, terminal interfaces, and communications protocols, is "an open question," according to our source. ADTS Commissioner Mecker, when we interviewed him, said GSA plans to establish a user group.

Although bids will be accepted from specialized carriers, software firms, data communications front end manufacturers, and mainframers, it will be far easier for the latter group to compete, since benchmarks will be required. Reportedly, some manufacturers of data communications equipment have already complained to GSA about this aspect of the buy. But our source pointed out that, with the probable exception of IBM, all the mainframers who bid probably will form joint ventures with specialized

firms. Univac is already rumored to be negotiating a joint venture with GTE and CSC.

The procurement plan reportedly will allow vendors four months to prepare their bids. The first installation, we were told, is scheduled for mid-1975.

THE ANNIVERSARY OF BROWN AGAINST BOARD OF EDUCATION: A LANDMARK DECISION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it will be 20 years ago tomorrow that the Supreme Court of the United States concluded that the doctrine of "separate but equal" has no place in the field of public education. The ruling in Brown against Board of Education that "separate education facilities are inherently unequal" will remain a landmark in the history of the U.S. Constitution. No other judicial decision in our history has so galvanized the moral conscience of the Nation and altered its social landscape. I speak today in commemoration and praise of this decision and those who argued the case for the plaintiffs.

Particularly, I want to recognize two lawyers who represented the NAACP in the Brown case. Robert L. Carter is currently a U.S. district judge. Jack Greenberg, director of the NAACP Legal Defense and Education Fund since 1961, has written extensively on race relations and the American legal system. I salute both men for their effective advocacy in the Brown case and their considerable achievements in the years hence.

No one would deny that the implementation of Brown has caused tensions which have put our unity as a people to the severest test. Its implications have raised perplexing issues which are not close to resolution. But no one should have expected Brown to be anything but the beginning of the struggle for racial equality. And that struggle will always be difficult, for the problem it addresses has pervaded American society for 200 years. The problems that have plagued us since Brown should not be permitted to obscure the wisdom of that decision. The moral force of its insistence that racial segregation is a violation of the guarantee of equal protection of the law remains as strong today as it was 20 years ago.

EQUAL CREDIT LEGISLATION WITHOUT REGARD TO SEX, MARITAL STATUS, ET CETERA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today Chairman LEONOR SULLIVAN of the House Consumer Affairs Subcommittee is introducing on behalf of 13 of the 15-member subcommittee, a bill to provide equal credit opportunities for all without regard to sex, marital status, race, color, religion, national origin, or age. This legislation is more fully described in the statement which Chairman SULLIVAN is making today. The purpose of this legislation is to remove from a controversial bill covering a broad spectrum of consumer inequities, protective measures to eliminate the discrimination that exists today in the issuance of credit. The committee worked long and hard in drafting the bill. All legislation can be improved. The bill will be the subject of public hearings and the committee welcomes any constructive proposal to make the bill better.

It is my hope that the subcommittee will hold its hearings in June and report the bill to the full committee for its consideration before the end of the month. It is imperative that this legislation be passed by the House and sent to conference with its Senate counterpart introduced by Senator BROCK of Tennessee so that the strongest, most effective legislation on this subject can be enacted into law this year. I very much appreciate the kind comments that Chairman SULLIVAN included in her statement and her acknowledgment of my efforts in formulating a coalition behind this bill.

SOVIET PRESENCE IN CUBA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I have called to the attention of this House on numerous occasions the continuing Soviet military presence in Cuba. As I have noted, we have the good fortune to have in my area Dr. Manolo Reyes, an eminently qualified expert on military matters involving Cuba.

Dr. Reyes has given me an update on the Cuban military situation which should be a subject of grave concern to us all and I would like to share it with our colleagues and with all who read this RECORD. I include in the RECORD the following summary of Dr. Reyes' statement for the House Internal Security Committee, of which I am a member:

MILITARY SITUATION IN CUBA

The undersigned, Dr. Manolo Reyes, temporarily residing at 243 S.W. 26th Road, Miami, Florida 33129, speaking before the United States Internal Security Committee of the House of Representatives in Washington, D.C., stated the following:

On October 17th, 1973 I appeared before the above-named Committee in Washington, Congressman Claude Pepper presided.

On that occasion, I declared before the Committee the actual threat Russian naval squadrons going to Cuba represent to the peace and security of the United States and the Continent. Those visits include war ships and nuclear submarines.

At the same time I was delivering this statement in Washington, D.C., a new Russian naval task force appeared in Cuban waters. It was the eleventh of its kind to appear in Cuba since July 1969. When they left Cuba they were sighted 9 miles off the coast of Fort Lauderdale.

Now a new development has occurred.

The 12th naval fleet of the Soviet Union is anchored in Cuban waters.

It is composed of two destroyers, one tanker and one ballistic missile submarine. Even though this submarine is a diesel sub and not nuclear . . . it carries three nuclear missiles called "SERB" with a range of 750 miles.

This occurrence in itself breaks any pact . . . if there is one . . . between Washington and Moscow not to have Intercontinental Ballistic Missiles in Cuba . . . as these missiles are intercontinental due to their range.

This G-2 Class submarine is one of the largest Soviet subs and was built between 1958 and 1962.

It has 86 men, 22 officers and 74 crewmembers. Its speed is 17.6 miles on the surface and 17 miles submerged. It carries 10 torpedoes on the bow. It is 320 feet long and 25 feet wide. On the surface it displaces 2,350 tons and under water, 2,800 tons.

This is the second time that a powerful and dangerous submarine of this type from Soviet Union has gone to Cuba. The first one arrived in Nipe Bay in May, 1972. Now this submarine visited Havana from April 30th to May 6th and is visiting different ports and bays of Cuba including, of course, the Soviet Naval facility of Cienfuegos in the southern part of the Island.

This Soviet Submarine is accompanied by two of the largest war destroyers in the Russian arsenal. They are called Krivak Class guided-missile destroyers.

These destroyers are 405 feet long, displace 5,200 tons fully loaded and can make a speed of 38 knots. The use of eight sets of gas turbine engines gives the Krivak a rapid acceleration that cannot be matched by steam driven ships.

The Krivak also may be the most heavily-armed ship of her size in the world. It has four surface-to-surface missiles with a range of 40 miles, two twin-armed surface-to-air missile launchers, two rocket launchers for antisubmarine rockets, eight torpedoe tubes and four 30 mm. machine guns.

The sole presence of these war ships in the Caribbean is a threat to the peace and security of the nations of this Hemisphere and a direct threat to the United States because of Cuba's proximity to these shores.

Dr. MANOLO REYES.

MIAMI, *May 9, 1974.*

KILL THE LITTLE CHILDREN

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, to those of us reared on the thought of "let the little children come unto me," it is horrifying to realize that brutal terrorists exist who are capable of condoning a policy of "kill the little children" in the furtherance of their geopolitical ambitions in the Middle East.

I am appalled that the 26th anniversary of the establishment of the State of Israel, in which I played a significant part in the 1940's, should be marked this week by the savage assault of Arab terrorists on a school filled with children on a carefree holiday.

The horror of this effort of ruthless Arab terrorists to hold these children hostage, which resulted in the loss of so many young lives, emphasizes the long history of suffering by the Jewish people which led to the overwhelming support of the peoples of the world for the creation of an independent homeland for the Jews.

Twenty-six years ago, the homeland of the Jewish people was officially restored to them. Out of the holocaust of World War II, the untold sufferings of

innocent victims, arose the promise of a bright tomorrow. The Jewish people had come home.

Let us pause to remember that historical day, May 14, 1948. As David Ben-Gurion read the Proclamation of Statehood for the State of Israel, the words of the prophets were fulfilled. A dream crystallized into reality. Yet, the very existence of this newly created state was immediately threatened by hostile neighbors. Nevertheless, the spirited determination of its people, both at home and abroad, resisted all attacks upon Israel's sovereignty. The very essence of the Jewish people was at stake. Time and time again, the challenge was met. The democratic state of Israel continues to grow and flourish.

The accomplishments of this remarkable state are many. Despite recurring demands upon its manpower and resources, for the first two decades of statehood, Israel's economy has rapidly expanded with sizable increases in the annual GNP of between 10 and 14 percent. In foreign trade, the United States continues to be Israel's primary trading partner, followed by the United Kingdom and the Federal Republic of Germany.

The United States has shown its solid support of Israel by extending substantial economic and military aid. Following the Yom Kippur war, $2.2 billion was provided for emergency military assistance in addition to regular aid programs. The United States has also endeavored to assist Israel in the resettlement of Soviet Jewish refugees through the provision of $36.5 million.

At the same time, Israel itself has provided technical assistance to the less developed countries. All in all, Israel has assumed an active role in international economic affairs.

The achievements on the domestic front are also noteworthy. Israel has been able to deal successfully with the social and environmental problems resulting from the rapid shift to an industrialized economy from an agricultural one.

The Government of Israel is committed to accept all Jews who wish to settle in the homeland. As a result, housing and urban development programs have been drawn up to assure accommodations for the continual flow of immigrants, most notably the recent wave of oppressed Soviet Jews. Owning 92 percent of the land, the state has established several different types of villages, which are organized to help the inhabitants adjust to their newly chosen way of life in the land of Moses and Abraham.

On this 26th anniversary of the return to the Promised Land, let me reaffirm my belief in Israel as a state and yet much more, as a testament to the strength of the heroic Jewish people. Having withstood the test of time, Israel seeks to live in peace, a goal not outside the realm of the possible.

I can assure you that I will continue to voice strong support for Israel. It is in our national interest to help Israel maintain itself as an independent, forward-looking country against the forces of oppression. Israel shall endure.

THE GENIUS OF MORRIS LAPIDUS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I wish to take this occasion to commend an individual whose resourcefulness and genius have contributed enormously toward making Miami Beach the world's foremost resort community. That individual is architect Morris Lapidus. More than any other person, he has been responsible for creating the soaring, glittering, majestically sweeping skyline of Miami Beach that has become one of our Nation's best recognized symbols throughout the world.

Morris Lapidus has created a uniquely American architecture. Until he designed the Fontainebleau, which opened 20 years ago, American designers were copying European hotels. The Fontainebleau opened to a mixed reception among critics of art and architecture, but it was instantly popular with the customers. It remains our Nation's best known hotel. The management still has difficulty controlling the huge numbers of visitors who come to its lobby simply to see it. Morris Lapidus has stated repeatedly that he is designing for the people, and not for the critics.

In recent years, however, even the critics have come to appreciate his work. He has created an architecture that appeals to people, they are saying, and there is art in that. Ours is one of the few cultures in history where people generally do not become excited about their architecture and when someone can stimulate their interest in it, he is remarkable, indeed.

Though he once was criticized, Morris Lapidus now is being written about; there are exhibitions on his work; and he is electrifying architectural students one-third his age in lectures at campuses all over the Nation. Dr. A. L. Freundlich, dean of the School of Art at Syracuse University, has stated:

> Morris Lapidus, more than any other man, reflects the aesthetic taste of mid-20th Century America.

A creative person cannot aspire to any higher aim.

TOWARD A NEW INTER-AMERICAN RELATIONSHIP

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is my privilege to call to the attention of our colleagues an outstanding address by Deputy Assistant Secretary of State William G. Bowdler, which he delivered to the Miami International Center on April 1 of this year. His address, entitled "Toward a New Inter-American Relationship," makes a significant contribution, I believe, to the problem of understanding the need for a closer, more mature relationship between the United States and the other peoples of the hemisphere. I am pleased to include his address in the RECORD at this point:

TOWARD A NEW INTER-AMERICAN RELATIONSHIP

(Address by Deputy Assistant Secretary William G. Bowdler)

I am most grateful, Mr. Lumpkin, for your invitation to address this distinguished group on the occasion of the installation of the Center's new slate of officers. We in Washington, and particularly those of us who work closely in the field of inter-American relations, are well acquainted with the excellent work done over the years by the International Center. Through its programs in the fields of international business, commerce, and cultural interchange, the Center continues to make valuable contributions to improved communication and understanding in this Hemisphere.

Communication and understanding is of course the foundation upon which a successful foreign policy must rest. As you know, we are now embarked as a government upon a major effort to place our relationship with the nations of Latin America and the Caribbean on a firm, new basis. Central to that effort is improved communication and understanding. Secretary Kissinger recognized this when in October of last year, shortly after being sworn in as Secretary of State, he called for a new dialogue. In response to the Secretary's invitation, the Latin American and Caribbean Foreign Ministers met in Bogota, Colombia, in November to formulate an agenda of issues of concern to their governments which they wished to discuss with Secretary Kissinger. The eight-point agenda adopted at Bogota, with two additional items suggested by the Secretary, formed the basis for the meeting of Foreign Ministers which took place February 20–23 in Mexico City.

This evening, I would like to report to you on:

What took place at the Mexico City Meeting;

What factors led up to this unusual meeting outside the framework of the OAS; and

What significance it holds for the future of inter-American relations.

I think we should begin by examining the events preceding the meeting in the Mexican capital.

FACTORS WHICH PRODUCED THE MEXICO CITY MEETING

Looking back over recent years on the different aspects of our relations with the Latin American and Caribbean countries we can detect certain trends which are important to an understanding of the conference of Tlatelolco.

On the bilateral side our relations have ranged, with a few exceptions, from "excellent" to "good". Our subregional relations—and here I refer to our relations with the Andean Group, the Central American Common Market, and the Caribbean Free Trade Association—have on the whole been quite satisfactory. It is largely at the regional level where things have not gone well:

Where the criticism has been sharpest;

Where the confrontation has been most acute; and

Where alienation threatened to become a dominant theme.

The result has been that frustration, resentment, and criticism on the part of countries of Latin America and the Caribbean has increasingly manifested itself in confrontational tactics in regional meetings over the past five years.

"Why has this been so?", you will ask, and "What basis is there for the disenchantment and complaint?" Among the reasons are:

1. Our neighbors have *not fully understood the "mature partnership" concept* that formed the basis of President Nixon's major

Latin American policy statement of October 31, 1969. Over time they came to look on the concept as indifference, benign neglect, or as a turning away to what they thought the United States regarded as more important areas of concern. They did not perceive this policy shift as the expression of our desire to exchange an outdated policy of Latin American dependence for recognition of a growing interdependence and the need for consultation and coordination on matters of common interest.

2. During this period *major developments in other parts of the world*—the Vietnam war and peace negotiations, movement toward normalization of relations with the Peoples Republic of China, and our efforts toward detente with the Soviet Union—have claimed the attention of the U.S. Government and the American people.

3. Our *economic difficulties*—particularly the deficits in our balance of payments and of trade, together with the devaluation of the dollar and now the energy crisis—*have reduced Congressional support for economic assistance*. These problems have also caused a delay in introducing promised trade legislation of benefit to Latin America and other developing areas.

4. *Preoccupation with negotiations elsewhere*—in Paris, Peking and Moscow—*tended to hamper high level dialogue* between U.S. and Latin American leaders.

5. I think it is fair to say that *our neighbors to the south have not always understood the enormous problems that we have had to face in recent years*. There has been a tendency to think in terms of old ways and old assumptions about their relationships with us.

This, in broad perspective, was the scene when a new Secretary of State was appointed in September of last year. The issue was not so much whether our policies toward the region, as defined by President Nixon in his October 1969 speech, were sound—and I for one believe that they were—but rather the Latin American perception of what that policy meant and our success in conveying its true meaning.

When Secretary Kissinger assumed office, he sensed the malaise in our inter-American relations, and he quickly went to the root of the problem: the breakdown of communications between the United States and Latin America which had permitted doubt and suspicion to embitter the relationship and to threaten serious alienation of our traditional friends. In an effort to reverse this trend, he proposed a new dialogue as the most effective means to reestablish confidence and to create an atmosphere within which we could address problems openly and constructively.

This is how he put it to Latin American and Caribbean representatives when he made his proposal in October, within days of being sworn in as Secretary of State:

"We in the United States will approach this dialogue with an open mind. We do not believe that any institution or any treaty arrangement is beyond examination. We want to see whether free peoples emphasizing and respecting their diversity but united by similar aspirations and values can achieve great goals on the basis of equality.

"So we are starting an urgent examination of our Western Hemisphere policy within our Government. But such a policy makes no sense if it is a United States prescription handed over to Latin Americans for your acceptance or rejecton. It shouldn't be a policy designed in Washington for Latin America. It should be a policy designed by all of Latin America for the Americas."

As I noted earlier, in response to Secretary Kissinger's offer, the Latin American and Caribbean Foreign Ministers met in Bogota, Colombia, last November to formulate an agenda of issues of concern to their governments which they wished to discuss with Secretary Kissinger. We were not surprised to find that the issues they defined were the same ones which had been the source of contention in the past. The new element was the spirit—the tone—in which they were drafted, which reciprocated the desire to enter into the "new dialogue".

WHAT TOOK PLACE AT MEXICO CITY

The eight-point agenda adopted at Bogota, with two additional points suggested by the Secretary, became the basis for the Conference that took place February 20–23 in Mexico City. Although on the surface most of the agenda issues were economic—e.g., cooperation for development, coercive measures of an economic nature, structure of international trade and the monetary system, transnational enterprises, and transfer of technology—they were broadly enough defined, and the format of the discussion itself was sufficiently informal, to enable the Secretary to engage in a wide-ranging exchange of views on hemispheric relationships.

The result of these exchanges was to affect precisely those aspects of our relations I earlier identified as weakest at the time the Secretary came into office: Latin American perceptions of our policy and our own capacity to convey our true intentions.

The obvious seriousness with which Secretary Kissinger approached the meeting, combined with the directness of his language and his personal commitment to this endeavor, led to a perceptible shift in attitude. The Secretary's specific proposals, many of which centered on increased consultations, strengthened this mood by suggesting that it was possible, indeed necessary, to move from confrontation to cooperation. What the Secretary proposed, in effect, was a new approach, a *new methodology* for carrying out the policy goals announced five years earlier by the President. This *methodology*, while based in part on a more forthcoming attitude on the part of the United States, evokes a mutual commitment to explore—through continuing consultations and through new mechanisms where necessary—the means of overcoming differences and strengthening inter-American solidarity.

The Secretary carried with him to Mexico City the conviction that a new framework for our relations with Latin America was in the U.S. national interest and that the basis for this new framework is a revitalized special relationship between the United States and Latin America. Some special relationship, of course, is inevitable with a region in which our presence is so pervasive. But the kind of special relationship which the Secretary had in mind was one which would be built upon a greater sense of mutual confidence and reciprocity, of shared purposes and responsibilities—a special relationship which would enable our hemisphere to play a larger role in world affairs.

While the assembled Foreign Ministers did not wish to establish some new kind of Western Hemisphere bloc—which, in any case, was never proposed by the United States—they did clearly accept a commitment to work toward new inter-American solidarity, based on the conviction that, with patience and understanding—and above all with a political will to succeed—a new relationship in the Hemisphere based upon cooperation rather than confrontation is indeed both desirable and possible. This was what the Secretary had in mind when he said, "Let us create a new spirit in our relations—the spirit of Tlatelolco."

In short, what has occurred as a result of Mexico City is that a deep and growing skepticism on the part of Latin American and Caribbean leaders has been converted into a developing spirit of optimism. Before us now is the larger task of converting that sense of expectation into a growing sense of confidence that the United States does indeed mean what it says when it calls for a rededication to a new era of Western Hemisphere relationships.

SIGNIFICANCE FOR FUTURE OF INTER-AMERICAN RELATIONSHIPS

Let me turn finally to the significance of the Mexico City meeting for the future of inter-American relations. At the outset of the meeting Secretary Kissinger stated that the fundamental task at Mexico City—more important by far than the specifics of the agenda—was to set a common direction in our hemispheric relations and to infuse our efforts with new purpose.

This course has been set. The challenge is to see that we adhere to it. The first steps buttress our optimism for the future. Let me give you a few concrete examples. Some of the most intractable problems in our bilateral relations have yielded to the new approach:

With Mexico we have negotiated a solution to the increasingly difficult problem of the salinity of the Colorado River.

With Peru we have worked out a fair settlement of investment disputes which had been a major source of friction and an obstacle to cooperation.

With Panama we have negotiated basic principles which will serve as a road map in negotiating a new, modern relationship governing the operation of the Panama Canal.

We likewise see the new spirit reflected in the regional meetings held since Mexico City.

The Special Committee on Restructuring the Inter-American System, meeting in Washington March 6–28, made significant advances in its review of the OAS Charter and the Rio Treaty.

The Inter-American Economic and Social Council, meeting in Quito March 18–23, which last year had been the scene of one of the sharpest confrontations between the United States and Latin America, pledged its full support in advancing the cooperative relationships worked out at Tlatelolco.

The Board of Governors Meeting of the Inter-American Development Bank, which opens today in Santiago, Chile, I am confident will likewise approach the issue of financial cooperation and assistance for development in the same constructive spirit.

The "Spirit of Tlatelolco" *has* been at work. But if that spirit is to be sustained, much more *must* be done. The challenge before us then is to broaden and to institutionalize the dialogue and to translate it into concrete accomplishment. Secretary Kissinger at Mexico defined the task in these terms:

"First, let us make clear to our peoples that we do have a common destiny and a modern framework for effective cooperation.

"Second, let us agree on an agenda for the Americas, a course of actions that will give substance to our consensus and inspiration to our peoples.

"Third, let us define a program to bring that agenda to life."

This will be the focus when the Foreign Ministers meet again in Washington on April 17–18 to continue the dialogue.

The challenge they face, however, is not theirs alone. It is a challenge to all of those interested in inter-American relations. It can only be met through improved communication and understanding, combined with the requisite political will at the highest leadership levels throughout the Hemisphere.

We in the United States have special interests and responsibilities in the forging of the new relationship. Our commitment must have the understanding and support not only of the executive and legislative branches of our government, but of the U.S. public at large. Organizations such as yours have a key role to play in developing such a constituency.

The challenge to us in Washington is also

the challenge to the International Center in South Florida. I commend it to your newly installed Governing Board and to each one of you present here tonight.

I understand that the ultimate goal of your organization is to convey the feeling of "Con Nosotros" to our neighbors in this hemisphere.

"Con Nosotros" is precisely the spirit of the new relationship which we seek to establish.

MISSING IN ACTION IN SOUTHEAST ASIA

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the letter which follows my brief remarks speaks more eloquently than I to the continuing sorrow of the families of the 1,200 servicemen, whose fate in Southeast Asia *is still* undetermined.

Lt. Cmdr. Philip Craig was born and raised in the city of Oneida, which I am privileged to represent. He was reported missing in action in 1967. His fate is unknown, and he remains officially unaccounted for. One of the provisions of the Paris Agreement called for a full accounting of the Americans who were listed as missing in action.

I believe that the Government of the United States has a solemn obligation to press with full vigor for the promised accounting. The Communist governments of Southeast Asia ought not to be allowed to go back on their pledge. The letter follows:

MISSING IN ACTION

SAN ANTONIO, TEX.

EDITOR DISPATCH:

In the fall of 1967 your paper published an article regarding the disappearance of our son, Philip C. Craig, LCDR, USN, who failed to return from a mission over N Vietnam. At the time, based upon direction from our Government and US Navy, we requested that no further publicity be given this incident since it could jeopardize Philip's welfare if held prisoner.

Our Government later revised this policy. It is now desirable that all publicity possible be given the plight of the missing men and their families.

Many Americans are unaware that more than 1200 American prisoners of war and missing in action are still unaccounted for in the aftermath of the Vietnam war and that the fate of these men has gone unexplained.

It is distressing that the news media has devoted so little attention to these men. Surely this subject is one that merits your editorial comment and continued news coverage.

Because a few hundred of our former prisoners of war were returned to us, the American public mistakenly thinks that a POW-MIA problem no longer exists. Nothing could be farther from the truth. Here are some of the hard facts.

Few of our missing were included among those returned.

Sixty of our men that NVN claimed, "He died in captivity", are still buried in alien soil. Not one body has been sent home to the man's family.

Our Search and Inspection teams which were supposed to be allowed entry into all areas of Southeast Asia, where our men were last seen alive, have so far been permitted to examine only a few sites—all in South Vietnam.

As parents of Philip Craig, LCDR, USN, who has been missing in action since July 4, 1967, we are deeply concerned that the MIA Issue has not been resolved in accordance with the Paris Peace Agreement of January 1973.

Philip was born and grew up in New York State. He attended St. Patrick's Parochial School, Oneida Jr. and Senior High, and was graduated from the Manlius School. He received his degree in Education from the University of Michigan in 1963, and at that time was commissioned in the Navy.

As a jet pilot, he was assigned to the Carrier USS *Intrepid*. While the carrier was in its second tour in S.E. Asia, in 1967, we were informed Philip was missing in action. No information has been received concerning him since that time.

We believe that many of our fellow citizens would continue to be concerned about his fate and that of the other 1200-plus missing Americans if they knew the facts. The National League of Families of POW-MIA in Washington, D.C., of which we are members, has prepared a fact sheet detailing some of the information about our missing men. We are enclosing a copy in the hope you will find it of enough interest to write an editorial on the subject.

Sincerely yours,

CHARLES P. CRAIG.
ANNABEL CRAIG.

HOW LONG?

(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, every time there is an act of terrorism, here or abroad, we shake our heads and cluck our tongues and piously say, "Oh, dear, we must do something."

But of course we never do anything, and so the next time the terrorists are even bolder and more brazen, and the conscience of the world grows another layer of callous.

Yesterday, Palestinian terrorists took over a schoolbuilding in the Israeli town of Maalot. There were 90 children in that building, children just like the ones we have at home. The depraved minds who comprised the terrorist group wanted to use these young innocents to do their dirty work for them. They were to be held as hostages to get more murdering terrorists out of Israeli prisons and then to get the whole filthy lot safe passage to an Arab haven, no doubt Libya, where such creatures are welcomed with open arms.

The Israeli Government, for the first time, gave in to these demands. The lives of 90 boys and girls are far more important than a matter of principle about giving in to terrorism. Those 90 children were a precious resource for the small State of Israel.

But the terrorists, not satisfied with bringing a brave government to its knees, had wired the building with explosive devices after having put a time limit on their demands that was impossible to meet. There was no question but that they were going to blow up the building, even though the Israeli Government was making the best efforts it could to meet their demands.

When this became apparent, the Israel Government gave orders to storm the Maalot school building. The army's hope was to take out the terrorists, then defuse the bombs, and then get to the children. When the terrorists knew that they were going to be attacked, they did what only lunatics and savages would do—they turned on their hostages with machineguns and grenades.

As of this morning, 20 children are dead, scores of others are wounded, many seriously. The death toll will rise as the day passes. The Kaddish—the traditional prayer for the dead—will be mixed with cries of anguish and clamoring for revenge.

The people of Maalot and, indeed, all the people in Israel and the world, have good cause to ask this morning, "How long, dear God, how long are we going to stand here and be the helpless sheep for the terrorists butcher knives? How long are we going to sit idly by while they prey upon us and kill our children?"

It is only natural that the Israel Government will launch retaliatory raids against the terrorist camps in Lebanon. When a death blow has been struck at you, your first reaction is to strike back, hard, and hope that you can take your assailant with you. But I fervently hope and pray that Israel will exercise self-restraint.

Not because retaliatory raids would be wrong. No, in this instance they are certainly warranted. But, because the rest of the world sees Israel as corrupt and depraved, as aggressive and imperialistic, and because the rest of the world will condemn Israel for acting as anyone would in the same circumstances, and because the Palestinian terrorists will be lauded as the new generation of folk heroes for their valiant blows for the freedom of their bastard state.

I am sick unto death with this. I cannot understand why such things have been allowed to go on for so long. I cannot understand why the two greatest powers in the world, who both profess their deep desire to see peace in the Middle East, can continue to ignore such depravity. I cannot understand why nobody speaks out in defense of Israel, who for a quarter of a century has been victimized by the depredations of terrorists.

The United States is as much to blame here as the Soviet Union. We have had countless chances at the United Nations and elsewhere to take a positive stand against terrorism. Instead, we either fudge, or we vote against Israel and assess her the blame for the actions of murderers.

It is the old anti-Semites' excuse: if the Jews did not insist on existing, then there would be no anti-Semitism. Well, Israel does insist on existing, just like every other nation, with secure borders, peace for her people and freedom from terrorist attacks. Is this really so much to ask?

A resolution has been introduced, offering the condolences of the House of Representatives to the families of those who were killed and wounded. I know that words are insufficient to ease the pain of the loss these people have suffered. The only thing that can make any difference in the long run is for the United States to act as a moral nation

and take a strong stand against terrorist activities.

We can begin by offering a resolution in the Security Council to condemn Lebanon for harboring the terrorists. After that, we can do whatever is necessary to assist Israel is controlling terrorist activity against her people.

I do not want to hear anyone say, ever again, "How long?" The answer is only as long as it takes for this country to act with courage in standing up for decency and against terrorist murders. We cannot afford to be cowardly any longer. The next time they strike, I hate to think of how many more might be killed. I want to make sure that there is no more "next time."

As an individual, I want to offer my deepest sympathy and condolences to the families of the children who were killed. It is hard to put into words my feelings of sorrow for these people. I can only imagine how great and painful their loss is. But I want them to know, just as I want the families of those whose children were wounded to know, that I grieve with them, and that I will do everything I can to make sure that no one else will lose their children to terrorist attacks.

JACKSON, WYO., LAND EXCHANGE

(Mr. RONCALIO of Wyoming asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, I am today introducing legislation which would authorize an exchange of lands adjacent to the Teton National Forest in Wyoming with the forest for the purposes of allowing expansion of the town of Jackson, Wyo.'s cemetery.

There is only very limited space left in the cemetery at Jackson and the town council has been investigating where additional lands might be acquired. Negotiations have been conducted with the Forest Service by the town council in regard to a possible exchange of approximately 25 acres of privately owned lands for certain lands within the national forest. As 97 percent of the land in Teton County is federally owned, there are few other options available.

The land which is presently owned by the town is outside of the present boundary of the national forest, but is bordered on the south and the west by the national forest.

By statute, national forest lands may be exchanged for other lands if they are within national forest boundaries. To facilitate this exchange, authorization must be granted by Congress to extend the forest boundary.

An identical bill has been introduced in the Senate by my colleague from Wyoming, Senator HANSEN, and I hope that each body will see fit to take action on the legislation.

THE MASSACRE AT MAALOT

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in this House to express my shock and horror at the terrible massacre at Maalot in Israel, five miles from the Lebanese border. This latest atrocity following close on the April 11 massacre at Kiryat Shemona is yet another example of the mindless killing of the innocent by terrorists.

I cannot condemn too strongly this terrible killing, an act so horrible and so monstrous that it cannot help but beget further killing and the spilling of more blood.

Mr. Speaker, at this time, my heart goes out to the parents of the dead and injured children in this little Galilee town. May Almighty God in His wisdom take them to His bosom.

Today I am joining a bipartisan group of Members of this House united not by party or ideology but rather by a common sense of horror in condemning what happened yesterday at Maalot. Those who stand for civilization must be prepared to defend it. I assure you, Mr. Speaker, that I am.

SOCIAL SECURITY DISABILITY PROGRAM

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in recent months there has been a disturbing increase in the number of complaints I receive from constituents concerning the social security disability insurance program. These complaints deal with the inordinately long time people must wait for decisions on claims for disability benefits, and the delays they experience in the resolution of interruptions in benefit payments. The intent of Congress when they established the disability insurance program was very clear: to provide financial security to people who become disabled and unable to work. But in reality, the program is a cruel hoax for hundreds—perhaps thousands—who get caught in its bureaucratic redtape. And it appears to be getting worse.

Initial disability claim determinations, reconsiderations, and hearing decisions, after a claimant has provided the Social Security Administration with all evidence and information requested, take at the minimum 2 or 3 months and very often take around 6 months. Moreover, in my experience, it is not uncommon for a decision on a claim to take a year or more. I recently heard from a constituent who waited over 2 years for a reconsideration decision on her claim—which was eventually approved—because her file was misplaced by the Bureau of Disability Insurance.

Even when a person has been advised that his or her claim has been approved, it generally takes the Bureau of Disability Insurance from 2 to 4 months or more to compute the benefits and send the necessary authorization to the Department of the Treasury to issue benefit checks. In March, a man in my district contacted me regarding his brother who is in the hospital, dying of cancer. His brother filed a claim for disability benefits on December 5, 1973. According to social security officials, the State agency officially determined that he was disabled and forwarded this information to the Bureau of Disability Insurance on January 4, 1974. The Bureau approved his claim on February 27, 1974, but this man has not yet received any of the benefits to which he is entitled.

Interruptions in payments to people who are regularly receiving disability benefits can occur for a variety of reasons from computer errors at the Bureau of Disability Insurance to mishandling by the Postal Service. One of my constituents who was receiving disability benefits for himself, his wife and children submitted a change of address form to the Social Security Administration in November 1973, and as a result did not receive benefits for the next 2 months. Although they received payment for the amount of the missing checks in March 1974, my constituent's checks are still being mailed to his previous address. Another resident of my district, a woman with two children, did not receive her disability benefits in December 1973 nor in January 1974 and was forced to turn to welfare for assistance. She finally received payment in April 1974.

It certainly was not the intention of Congress when they created the disability insurance program to force people who are unable to work and who have little or no other sources of income to fall back on their savings and go into debt or on welfare because the Bureau of Disability Insurance cannot act promptly on their claims or payment problems.

I have taken two steps which hope will prove instrumental in improving this deplorable situation. First, I have introduced legislation to provide people who receive disability benefits with the same rights all other social security recipients now enjoy; namely, to be able to request prompt reinstatement of their monthly benefits when these benefit payments are stopped for no apparent reason. Second, I have asked the General Accounting Office to investigate the serious delays in the disability claim determination and appeal process.

In the Social Security Amendments of 1967, Congress included a provision to permit people to file a special "expedited payment" request for benefits which are due but have not been paid. This applies to situations where a person has made application for benefits and it appears that he or she is eligible but no final action has been taken on the application within 90 days, and in cases where a person's monthly benefit check stops for no apparent reason. However, this provision (section 205q of the Social Security Act) excludes people who receive disability benefits because the disability determination process is extensive and it is not generally possible to make these medical determinations on a prima facie basis. It was felt that such decisions would result in too many erroneous payments.

Unfortunately, Congress did not take into consideration the payment problems

of individuals and their dependents or survivors who are already receiving disability benefits which are interrupted for no apparent reason. According to the Bureau of the Census, 25 percent of families with incomes below the poverty level are social security recipients. In view of the slowness of the Bureau of Disability Insurance in acting on payment problems, extension of the "expedited payment" provision of the Social Security Act to include the more than 3.6 million recipients of disability benefits is essential to prevent financial hardship.

My bill would not change the law with respect to people who are awaiting action on initial disability claims, but would permit recipients of disability benefits to request "expedited payment" on the 15th of the month following the month in which the missing benefits were due, and entitle them to receive within the next 15 days either payment of the amount of the missing check or checks, or an explanation from the Social Security Administration as to why no payment is due.

Because of my concern about the delays in the determination and appeal process for disability claims and the financial hardship this is causing for claimants, I wrote to the Social Security Commissioner on January 24, 1974, bringing this matter to his attention and asking for an explanation of these delays. I regret to say that as of this date I have not received a reply. Therefore, I have today requested the General Accounting Office to investigate this situation, to advise me as to why these delays are occurring and to recommend measures to resolve these problems.

A copy of my letter to the General Accounting Office and the text of the bill follow these remarks:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 13, 1974.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: In recent months my caseload from constituents concerning problems with the disability insurance program under the Social Security Act has increased markedly. Most of these problems involve the determination and appeal process. Initial determinations, reconsiderations, and hearing decisions, after a claimant has provided the Social Security Administration with all evidence and information requested, each take from three to six months. In my experience it is not uncommon for a decision on a claim to take a year or more. I recently heard from a constituent who waited over two years for a reconsideration decision on her claim because her file was misplaced by the Bureau of Disability Insurance. Even when a person has been advised that his or her claim has been approved, it generally takes the Bureau of Disability Insurance from two to four months or more to compute their benefits and send the necessary authorization to the Department of the Treasury to issue benefit checks.

My concern in this matter is for the claimants who are unable to work, who have little or no other sources of income, and who suffer financial hardships because the Bureau of Disability Insurance cannot act promptly on their claims.

I would appreciate it if you would investigate this situation and advise me as to why it takes so long to reach decisions on disability claims once the claimants have provided all information required, and if you would recommend measures to resolve this problem.

Thank you for your assistance.

Sincerely,

JOHN F. SEIBERLING,
Member of Congress.

H.R. 14878

A bill to amend title II of the Social Security Act to provide that the special procedure for expediting benefit payments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for one or more months

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 205(q)(5) of the Social Security Act is amended by striking out "or with respect to any benefit" and inserting in lieu thereof "or, in any case to which paragraph (2)(B)(ii) applies, with respect to any benefit".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to benefits payable (or alleged to be payable) for months after the month in which this Act is enacted.

EAT MORE EGGS

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, I enthusiastically rise to support H.R. 1200, the Egg Research and Consumer Information Act. This measure simply allows American egg producers to develop a national plan subject to referendum approval by egg producers for egg promotion and research in cooperation with the Department of Agriculture. If approved the plan would be carried out by an egg board appointed and supervised by the Secretary of Agriculture and financed mainly by egg producers.

Eggs are good for people. We should eat more eggs. Unfortunately consumer demand for eggs and egg products has declined steadily since 1950. In that year Americans consumed an annual average of 390 eggs per person but by 1973 the per capita consumption of eggs and egg products dropped to 292, almost 100 eggs per year.

Why is it that egg consumption has decreased? Well, there has been a change in eating habits toward breakfast cereals and such things as instant breakfast products. Then there is the constant warning against high cholesterol intake. All of this has raised some doubts that the American egg producing industry can continue to provide an adequate steady supply of fresh eggs to consumers. Sixteen States have established voluntary production assessment programs similar to the national one which this bill would authorize for market producers and research. The assessment needs for these State programs varies from 6 cent per case—there are 30 dozen in a case—in California to two-thirds of 1 cent per case in Alabama.

It is noteworthy that this measure was reported for the House Agriculture Committee by a vote of 26 to 0. This bill is nothing more than enabling legislation. It would allow the egg industry to draft and to put to referendum a national plan through which individual egg producers might assess themselves up to 5 cents for each case, 30 dozen of commercial eggs. These funds would be used for consumer education, research, advertising, promotion to enhance the desirability and image of eggs and egg products.

It is estimated the assessment would yield an estimated $7.5 million a year. The program would be designed for commercial producers with laying flocks of 3,000 or more which it is estimated produce 87 percent of the Nation's egg supply.

There has been some talk about the cost of this program. The truth is it would cost only about $100,000 in administrative costs each year, and the referendum itself would cost not much over $100,000. Why, oh, why, can there be any opposition to a plan of this kind? Similar plans for the record will involve peanuts, wool, milk, cotton, and other commodities have worked well. Why should eggs be excluded?

There is no doubt that a program such as this would greatly assist producers and consumers alike. In my State of Missouri, several years ago the egg producers established a State self help program similar to this one. It was called the Missouri Egg Merchandising Council. But I am sure our egg producers realize that a nationwide program in addition to the State program would be most beneficial.

About 1.5 million eggs are produced each year in my State of Missouri which ranks 17th nationally in egg production. In the State of Missouri egg production produces an income of about $30 million.

It is a pleasure to support an effort of this kind to help producers assist themselves. As this bill goes on to the Senate we should all do whatever we can to assure its passage in the other body.

It is refreshing to see people trying to help themselves with their own money and asking for a very limited amount of government assistance and supervision. It is a rare occasion when we have before us a piece of legislation that is not a request for a handout. All our egg producers are asking by this legislation is a chance to help themselves. In fact, all they are asking is a chance to tax themselves. H.R. 1200 merits and deserves the unanimous support of the House.

A BILL TO ASSURE EQUAL ACCESS TO URBAN MASS TRANSPORTATION FOR OUR SENIOR CITIZENS

(Mr. REGULA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. REGULA. Mr. Speaker, during the first 2 weeks of this month, I and 10 colleagues from both sides of the aisle participated in sponsoring a 2-week internship for senior citizens in our congressional offices here in Washington.

I was privileged to have Mr. and Mrs.

Harry Rankin from Canton, Ohio, who were chosen for the internship by the Area Wide Agency on Aging assist me in studying legislation of interest to senior citizens and in learning about programs and policies affecting the elderly.

As an immediate result of the new insights I have gained from this experience, I am today introducing legislation amending the Urban Mass Transportation Administration Act of 1964 to authorize the payment of subsidies to public and private urban mass transportation systems to enable them to provide services for the elderly.

The Urban Mass Transportation Administration cannot now fund reduced fare programs for the elderly. In spite of this limitation, Transportation Department studies show that where local communities have lowered fares for senior citizens, ridership by the elderly has increased anywhere from 20 to 50 percent.

A major restraint to greater use of mass transit facilities by older people is cost. The number of elderly below the poverty level is about double that of the general population. About 5.2 million elderly people are in this category.

The spiraling cost of inflation is forever eating into the fixed incomes of our senior citizens. We can, however, assure equal access to transportation for elderly people and help offset the pressures of inflation by passing this bill so that public and private urban mass transportation systems can be reimbursed for their losses on fares reduced by up to two-thirds of the normal rate for the elderly.

DOT studies indicate that 75 percent of our elderly think buses are a good way to travel. But 50 percent of those sampled believe that the cost of bus transportation is too high.

Although cost is not the only problem older people face when attempting to use mass transportation facilities, it is a problem that can be solved without new equipment.

The text of my bill is as follows:

H.R. —

A bill to amend the Urban Mass Transportation Act of 1964 to authorize the payment of subsidies to public and private urban mass transportation systems to enable them to provide services to the elderly at reduced rates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new section:

"PAYMENT OF SUBSIDIES TO ENCOURAGE PROVISION OF TRANSPORTATION SERVICES TO THE ELDERLY AT REDUCED RATES

"SEC. 17. (a) The Secretary is authorized, in accordance with the provisions of this section and on such terms and conditions as he may prescribe, to make grants pursuant to contracts entered into as provided in subsection (b) to States and local public bodies and agencies thereof, and private mass transportation companies, which are providing mass transportation service in urban areas to elderly persons at reduced rates, in order to reimburse such States and local public bodies and agencies and such private companies for economic losses which they sustain as a consequence of providing such service at such rates.

"(b) Any contract for grants under subsection (a) shall—

"(1) be made directly with the State or local public body or agency, or the private mass transportation company, which is providing the service to be subsidized;

"(2) provide for full reimbursement of the losses referred to in subsection (a), up to an amount equal to the amount of the losses which would have been sustained during the period covered by the contract if the reduced rates giving rise to such losses were equal to one-third of the rates otherwise in effect;

"(3) provide for the computation of such losses in accordance with rules, regulations, procedures, and accounting requirements which shall be prescribed by the Secretary; and

"(4) contain such other terms, conditions, requirements, standards, and provisions (including, in appropriate cases, provision for periodic reimbursement of proven losses on an installment basis during the period covered by the contract) as the Secretary considers necessary or appropriate to carry out the purpose of this section.

"(c) There are authorized to be appropriated for grants under this section such sums as may be necessary."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to the following Members:

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. CLAY (at the request of Mr. O'NEILL), for today, on account of illness in family.

Mr. MURPHY of New York (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. DEL CLAWSON (at the request of Mr. RHODES), for the week of May 20, on account of official business.

Mr. PETTIS (at the request of Mr. RHODES), for today, on account of official business.

Mr. PEYSER (at the request of Mr. RHODES), for today, on account of official business.

Mr. CORMAN, for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RANDALL, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. DENT, for 60 minutes, on May 21; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. HANRAHAN), to revise and extend their remarks and include extraneous matter:)

Mr. BIESTER, for 30 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. YOUNG of Illinois, for 10 minutes, today.

Mr. BLACKBURN, for 5 minutes, today.

Mr. CLEVELAND, for 5 minutes, today.

Mr. MIZELL, for 5 minutes, today.

Mr. HOGAN, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. DUNCAN, for 10 minutes, today.

Mr. RUPPE, for 5 minutes, today.

(The following Members (at the request of Mrs. SCHROEDER), to revise and extend their remarks and include extraneous matter:)

Mr. FRASER, for 5 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. METCALFE, for 10 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. COTTER, for 5 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. BARRETT, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. FORD, for 10 minutes, today.

Mr. MEZVINSKY, for 5 minutes, today.

Mr. BENITEZ, for 10 minutes, today.

Ms. ABZUG, for 5 minutes, today.

Mr. DENHOLM, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Moss, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $679.25.

(The following Members (at the request of Mr. HANRAHAN) and to include additional matter:)

Mr. ANDREWS of North Dakota.

Mr. ZION.

Mr. RONCALLO of New York.

Mr. ERLENBORN.

Mr. HOSMER in two instances.

Mr. BRAY in three instances.

Mr. YOUNG of Illinois in four instances.

Mr. ANDERSON of Illinois.

Mr. FROEHLICH in two instances.

Mr. SYMMS in two instances.

Mr. SARASIN.

Mr. BROYHILL of Virginia in two instances.

Mr. FRENZEL in two instances.

Mr. LANDGREBE.

Mr. WYMAN in two instances.

Mr. HOGAN.

Mrs. HECKLER of Massachusetts.

Mr. KEMP in two instances.

(The following Members (at the request of Mrs. SCHROEDER) and to include extraneous matter:)

Mr. SYMINGTON.

Mr. FISHER in four instances.

Mr. ROONEY of New York.

Mr. CHARLES WILSON of Texas in three instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. WALDIE in two instances.

Mr. WON PAT.

Mr. JAMES V. STANTON.

Mr. BRADEMAS in six instances.

Mr. PATTEN.

Mr. MCFALL.

Mr. KAZEN.

Mr. GUNTER.

Mr. FULTON.

Mrs. SULLIVAN.

Mr. KOCH in five instances.

Mrs. CHISHOLM.

Mr. REES.

Mr. DORN in three instances.

Mr. EDWARDS of California.

Mr. MEZVINSKY.

Mr. CARNEY of Ohio.
Mr. LEHMAN in 10 instances.
Mr. ECKHARDT in two instances.
Mr. DIGGS.
Mr. PODELL.
Mr. JONES of Tennessee in six instances.
Mr. DENHOLM.
Mr. ROONEY of Pennsylvania.

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. 5621. An act to amend title 10, United States Code, to provide for the presentation of a flag of the United States for deceased members of the Ready Reserve and for deceased members of the Reserve who die after completing 20 years of service, but before becoming entitled to retired pay.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3062. An act entitled the "Disaster Relief Act Amendments of 1974."

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on May 15, 1974 present to the President, for his approval, bills of the House of the following title:

H.R. 3418. An act to amend section 505 of title 10, United States Code, to establish uniform original enlistment qualifications for male and female persons.

And on May 16, 1974:

H.R. 5621. An act to amend title 10, United States Code, to provide for the presentation of a flag of the United States for deceased members of the Ready Reserve and for deceased members of the Reserve who die after completing 20 years of service, but before becoming entitled to retired pay.

ADJOURNMENT

Mrs. SCHROEDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 12 minutes p.m.), under its previous order, the House adjourned until Monday, May 20, 1974, 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:

2322. A letter from the President of the United States, transmitting notice of his intention to use his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, to use up to $730,000 and the equivalent of $3 million in U.S.-owned Egyptian pounds to provide assistance to Egypt in fiscal year 1974, pursuant to section 652 of the act [22 U.S.C. 2411]; to the Committee on Foreign Affairs.

2323. A letter from the Deputy Secretary of Defense, transmitting a report on disbursements from the appropriation for "Contingencies, Defense" contained in the Department of Defense Appropriation Act, fiscal year 1974, through March 31, 1974, pursuant to Public Law 93-238; to the Committee on Appropriations.

2324. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report for the quarter ended March 31, 1974, on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement, pursuant to section 720 of Public Law 93-238; to the Committee on Appropriations.

2325. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service; to the Committee on Foreign Affairs.

2326. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Cities Service Oil Co., Tulsa, Okla., for a research project entitled "Improved Oil Recovery by Micellar-Polymer Flooding," pursuant to 42 U.S.C. 1900(d); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 13221. A bill to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes; with an amendment (Rept. No. 93-1047). 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. ULLMAN (for himself and Mr. SCHNEEBELI):

H.R. 14832. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

H.R. 14833. A bill to extend the Renegotiation Act of 1951 for 18 months; to the Committee on Ways and Means.

By Mr. BIAGGI (for himself, Mr. BRASCO, Mr. DAVIS of South Carolina, Mr. EILBERG, Mr. HOGAN, Mr. MOAKLEY, Mr. MURTHA, Mr. PODELL, and Mr. WON PAT):

H.R. 14834. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia (for himself, Mr. REES, Mr. GUDE, Mr. HOGAN, Mr. PARRIS, and Mr. FAUNTROY):

H.R. 14835. A bill to grant the consent of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia, to amend the Washington Metropolitan Area transit regulation compact to permit the Washington Metropolitan Area Transit Authority to eliminate any requirement of additional authentication of manual signature of bonds guaranteed by the United States, and for other purposes; to the Committee on the District of Columbia.

By Mr. BROYHILL of Virginia (for himself, Mr. REES, Mr. GUDE, Mr. HOGAN, and Mr. PARRIS):

H.R. 14836. A bill to grant the consent of Congress for the State of Maryland, the Commonwealth of Virginia, and the District of Columbia to amend the Washington Metropolitan Area transit regulation compact to authorize the Washington Metropolitan Area Transit Authority to establish and maintain a Metro Transit Police force, to authorize the Washington Metropolitan Area Transit Authority to enter into mutual aid agreements with the various jurisdictions within the transit zone, and for other purposes; to the Committee on the District of Columbia.

By Mr. CHAMBERLAIN (for himself, Mr. ARCHER, Mr. BROYHILL of Virginia, Mr. BURLESON of Texas, Mr. BURKE of Massachusetts, Mr. CLANCY, Mr. CORMAN, Mr. DUNCAN, and Mr. LANDRUM):

H.R. 14837. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 14838. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 14839. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. DOWNING (for himself and Mr. WHITE):

H.R. 14840. A bill to amend title 10, United States Code, to provide severance pay for Regular enlisted members of the U.S. Armed Forces; to the Committee on Armed Services.

By Mr. ERLENBORN (for himself and Mr. CONABLE):

H.R. 14841. A bill to amend the Federal Election Campaign Act of 1971, and title 18, United States Code, to reform Federal election campaign activities; to the Committee on House Administration.

By Mr. FORSYTHE:

H.R. 14842. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance under the veterans' pension and compensation programs or any other Federal or federally assisted program) will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. JONES of North Carolina (for himself, Mr. TAYLOR of North Carolina, and Mr. HENDERSON):

H.R. 14843. A bill to amend the act of March 10, 1966 providing for the establishment of Cape Lookout National Seashore in the State of North Carolina, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PARRIS:

H.R. 14844. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. PATTEN:

H.R. 14845. A bill to authorize the disposal of lead from the national stockpile and the

supplemental stockpile; to the Committee on Armed Services.

H.R. 14846. A bill to amend the Public Health Service Act to revise and extend programs of Federal assistance for comprehensive health resources planning and to assist the States in regulating the costs of health care; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 14847. A bill to prohibit for a temporary period the exportation of ferrous scrap, and for other purposes; to the Committee on Banking and Currency.

By Mr. PODELL:

H.R. 14848. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to prescribe rules respecting interconnections with telephone company facilities of equipment not furnished by such companies; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Illinois (for himself and Mr. HOSMER):

H.R. 14849. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. ROE (for himself, Mr. BREAUX, Mrs. BURKE of California, Mr. FROEHLICH, Ms. HOLTZMAN, Mr. HUBER, Mr. ICHORD, Mr. LEGGETT, Mr. LITTON, Mr. RUNNELS, Mr. SHOUP, Mr. STUDDS, Mr. WHITE, and Mr. WON PAT):

H.R. 14850. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 14851. A bill to create a Joint Congressional Committee on Foreign Investment Control in the United States; to the Committee on Rules.

By Mr. SARASIN:

H.R. 14852. A bill to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SARASIN (for himself, Mrs. HECKLER of Massachusetts, and Mr. O'BRIEN):

H.R. 14853. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate plastic feedstocks produced from petrochemical feedstocks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 14854. A bill to amend title 5, United States Code, to guarantee to each employee in the competitive service who has completed the probationary or trial period, the right to a hearing, a hearing transcript, and all relevant evidence prior to a final decision of an agency to take certain action against such an employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STEELMAN (for himself and Mr. CLEVELAND):

H.R. 14855. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to require Federal agencies to respond to requests for certain information no later than 15 days after the receipt of each such request; to the Committee on Government Operations.

By Mrs. SULLIVAN (for herself, Mr. FAUNTROY, Mr. MITCHELL of Maryland, Mr. BARRETT, Mr. GONZALEZ, Mr. YOUNG of Georgia, Mr. STARK, Mr. MOAKLEY, Mr. KOCH, Mrs. HECKLER of Massachusetts, Mr. MCKINNEY, Mr. RINALDO, and Mr. RONCALLO of New York):

H.R. 14856. A bill to prohibit discrimination on the basis of race, color, religion, national origin, age, sex, or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. WAGGONNER:

H.R. 14857. A bill to amend the Fair Labor Standards Act of 1938 to repeal the coverage of domestic service workers provided by the Fair Labor Standards Amendments of 1974; to the Committee on Education and Labor.

By Mr. CHARLES WILSON of Texas:

H.R. 14858. A bill to provide for the induction of individuals, during the period beginning July 1, 1975, and ending June 30, 1977, for training and service in the Armed Forces; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 14859. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. EILBERG, Mr. HELSTOSKI, Mr. LUKEN, Mr. MOLLOHAN, Mr. PODELL, Mrs. SCHROEDER, and Mr. WALSH):

H.R. 14860. A bill to amend the Export Administration Act of 1969 to provide for the regulation of the export of agricultural commodities; to the Committee on Banking and Currency.

By Mr. WOLFF (for himself and Mr. RANGEL):

H.R. 14861. A bill to repeal section 411 of the Social Security Amendments of 1972 and certain related provisions of law in order to restore to aged, blind, and disabled individuals receiving supplemental security income benefits (under title XVI of the Social Security Act) their right to participate in the food stamp and surplus commodities programs; to the Committee on Ways and Means.

By Mr. YATRON (for himself, Mrs. GRASSO, Mr. ESCH, and Mr. MURPHY of New York):

H.R. 14862. A bill to improve the coordination of Federal reporting services; to the Committee on Government Operations.

By Mr. YATRON (for himself and Mrs. GRASSO):

H.R. 14863. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the congressional advisory legislative line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. YATRON (for himself, Mrs. GRASSO, and Mr. ESCH):

H.R. 14864, A bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation; to the Committee on Rules.

By Mr. BIAGGI (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BEVILL, Mr. BINGHAM, Mr. BROWN of Michigan, Mr. BROWN of California, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. COUGHLIN, Mr. DRINAN, Mr. EILBERG, Mr. FASCELL, Mr. FINDLEY, Mr. FISH, Mr. FORD, Mr. GILMAN, Mr. GROVER, Mrs. HOLT, Miss HOLTZMAN, Miss JORDAN, Mr. KING, Mr. LENT, Mr. LEHMAN, and Mr. LUKEN):

H.R. 14865. A bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows; to the Committee on Veterans' Affairs.

By Mr. BIAGGI (for himself, Mr. MALLARY, Mr. MATSUNAGA, Mr. MOLLOHAN, Mr. MURPHY of New York, Mr. MURTHA, Mr. OBEY, Mr. PARRIS, Mr. PIKE, Mr. PODELL, Mr. RANGEL, Mr. RONCALLO of New York, Mr. ROSENTHAL, Mr. ROY, Mr. SARASIN, Mrs. SCHROEDER, Mr. STARK, Mr. SIKES, Mr. TRAXLER, Mr. TIERNAN, Mr. WHITE, Mr. BOB WILSON, Mr. WON PAT, Mr. WYMAN, and Mr. YOUNG of Alaska):

H.R. 14866. A bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows; to the Committee on Veterans' Affairs.

By Mr. BIAGGI (for himself, Mrs. BURKE of California, and Mr. GUDE):

H.R. 14867. A bill to amend title 38, United States Code, to provide a 10-year delimiting period for the pursuit of educational programs by veterans, wives, and widows; to the Committee on Veterans' Affairs.

By Mr. CARNEY of Ohio:

H.R. 14868. A bill to amend the Food Stamp Act of 1964 to permit recipients of certain Federal benefits to participate in the food stamp program, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 14869. A bill to amend section 103(c) of the Internal Revenue Code of 1954 to increase the exemption from the industrial development bond provisions for certain small issues; to the Committee on Ways and Means.

By Mr. HAYS:

H.R. 14870. A bill to authorize appropriations for the U.S. Information Agency, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LENT:

H.R. 14871. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973, and to provide for daylight saving time for 8 months during each calendar year; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 14872. A bill to amend the Interstate Land Sales Full Disclosure Act to clarify the definition of transactions to which the act applies, to exempt certain sales, to expedite and simplify compliance with its requirements, and for other purposes; to the Committee on Banking and Currency.

By Mr. PICKLE:

H.R. 14873. A bill to commemorate the American Revolutionary Bicentennial by establishing a meetinghouse program, by making grants available to each of the several States for the purpose of acquiring and restoring certain historic sites with a view to designating and preserving such sites for use as meetinghouses in connection with such bicentennial, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RANDALL:

H.R. 14874. A bill to amend the act of October 1, 1965 (79 Stat. 897); to the Committee on Interior and Insular Affairs.

By Mr. RONCALIO of Wyoming:

H.R. 14875. A bill to authorize exchange of land adjacent to the Teton National Forest in Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUPPE:

H.R. 14876. A bill to change Veterans' Day to November 11; to the Committee on the Judiciary.

H.R. 14877. A bill to amend title 38 of the United States Code in order to increase the maximum annual income limitations applicable to veterans' and widows' pensions; to the Committee on Veterans' Affairs.

By Mr. SEIBERLING:

H.R. 14878. A bill to amend title II of the Social Security Act to provide that the special procedure for expediting benefit pay-

ments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for 1 or more month; to the Committee on Ways and Means.

By Mr. McKINNEY (for himself, Mrs. CHISHOLM, Mrs. GRASSO, Mr. SARASIN, and Mr. STUDDS):

H.R. 14879. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for regular physical examinations; to the Committee on Ways and Means.

By Mr. CEDERBERG (for himself, Mr. ADDABBO, Mr. CHAPPELL, Mr. CONTE, Mr. EDWARDS of Alabama, Mr. FLOOD, Mr. McEWEN, Mr. MILLER, Mr. MINSHALL of Ohio, Mr. MYERS, Mr. ROBINSON of Virginia, Mr. ROBISON of New York, Mr. ROUSH, Mr. SHRIVER, Mr. SLACK, Mr. SMITH of Iowa, Mr. TALCOTT, Mr. TIERNAN, Mr. WYATT, and Mr. YOUNG of Florida):

H.J. Res. 1018. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. NEDZI (for himself, Mr. FISHER, Mr. PRICE of Illinois, Mr. BRAY, Mr. BOB WILSON, Mr. RANDALL, Mr. PIKE, Mr. LEGGETT, Mr. CHARLES H. WILSON, of California, Mr. DICKINSON, Mr. HICKS, Mr. WHITE, Mr. HUNT, and Mr. MONTGOMERY):

H.J. Res. 1019. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. NEDZI (for himself, Mr. MOLLOHAN, Mr. WHITEHURST, Mr. ASPIN, Mr. BUTLER, Mr. DAVIS of South Carolina, Mr. POWELL of Ohio, Mr. SPENCE, Mr. BEARD, Mr. DAN DANIEL, Ms. HOLT, Mr. JONES of Oklahoma, Mr. O'BRIEN, Ms. SCHROEDER, and Mr. TREEN):

H.J. Res. 1020. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. FRASER:

H. Con. Res. 494. Concurrent resolution relating to arms control in the Indian Ocean; to the Committee on Foreign Affairs.

By Mr. LONG of Maryland:

H. Con. Res. 495. Concurrent resolution to condemn the terrorist murder of children at Maalot, Israel; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. RODINO, Mr. WOLFF, Ms. ABZUG, Mr. ALBERT, Mr. ADDABBO, Mr. BIAGGI, Mr. BINGHAM, Mr. BRASCO, Mr. CAREY of New York, Ms. CHISHOLM, Mr. CLAY, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. DANIELSON, Mr. DELANEY, Mr. DELLUMS, Mr. DE LUGO, Mr. DERWINSKI, Mr. DIGGS, Mr. DRINAN, Mr. DUNCAN, Mr. EILBERG, and Mr. FASCELL):

H. Con. Res. 496. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. RODINO, Mr. WOLFF, Mr. FORD, Mr. GILMAN, Mr. HANLEY, Mr. HAWKINS, Ms. HOLTZMAN, Ms. JORDAN, Mr. KASTENMEIER, Mr. KEMP, Mr. KOCH, Mr. KYROS, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. McFALL, Mr. MADDEN, Mr. MATSUNAGA, Mr. METCALFE, Mr. MEZVINSKY, Ms. MINK, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOORHEAD of Pennsylvania, and Mr. MURPHY of New York):

H. Con. Res. 497. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. RODINO, Mr. WOLFF, Mr. MURPHY of Illinois, Mr. O'HARA, Mr. O'NEILL, Mr. PEPPER, Mr. PEYSER, Mr. PODELL, Mr. PRICE of Illinois, Mr. ROSENTHAL, Mr. RYAN, Mr. SARBANES, Ms. SCHROEDER, Mr. SEIBERLING, Mr. SIKES, Mr. JAMES V. STANTON, Mr. STARK, Mr. STEELE, Mr. STUDDS, Mr. WALSH, Mr. CHARLES H. WILSON of California, and Mr. YOUNG of Georgia):

H. Con. Res. 498. Concurrent resolution for negotiations on the Turkish opium ban; to the Committee on Foreign Affairs.

By Mr. WALDIE:

H. Con. Res. 499. Concurrent resolution expressing the condemnation of the Congress with respect to the killings of Israeli children by Palestinian guerrillas on May 15 in Maalot, Israel; to the Committee on Foreign Affairs.

By Mr. DELLUMS (for himself, Mr. WOLFF, Mr. STARK, and Mr. MOAKLEY):

H. Res. 1113. Resolution to condemn terrorism in the Middle East; to the Committee on Foreign Affairs.

By Mr. FLOOD (for himself, Mr. BENNETT, Mr. DORN, Mr. DUNCAN, Mr. EVINS of Tennessee, Mr. FULTON, Mr. KETCHUM, Mr. RUNNELS, and Mrs. SULLIVAN):

H. Res. 1114. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. LENT (for himself, Mr. SEBELIUS, Mr. PEYSER, Mr. BADILLO, Mr. YATRON, Mr. ROBINSON of Virginia, Mr. DOMINICK V. DANIELS, Mr. MINISH, Mr. GUNTER, Mr. COUGHLIN, Mrs. GRASSO, Mr. STRATTON, Mr. YOUNG of Florida, Mr. HUBER, Mr. FORSYTHE, Mr. WIDNALL, Mr. PODELL, Mr. ROSENTHAL, Mr. WON PAT, Mr. RINALDO, and Mr. RANGEL):

H. Res. 1115. Resolution to condemn acts of Arab terrorism; to the Committee on Foreign Affairs.

My Mr. McCOLLISTER:

H. Res. 1116. Resolution to amend the Rules of the House of Representatives with respect to the acceptance of any honorarium by any Member, officer, or employee of such House; to the Committee on Standards of Official Conduct.

By Mr. MINISH:

H. Res. 1117. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. ABDNOR, Ms. ABZUG, Mr. ADAMS, Mr. ADDABBO, Mr. ALEXANDER, Mr. ANDERSON of California, Mr. ANDERSON of Illinois, Mr. ANNUNZIO, Mr. ARENDS, Mr. ASHLEY, Mr. ASPIN, Mr. BADILLO, Mr. BAFALIS, Mr. BAKER, Mr. BARRETT, Mr. BENITEZ, Mr. BENNETT, Mr. BERGLAND, Mr. BEVILL, Mr. BIAGGI, Mr. BIESTER, and Mr. BINGHAM):

H. Res. 1118. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mrs. BOGGS, Mr. BOLAND, Mr. BOLLING, Mr. BRADEMAS, Mr. BRASCO, Mr. BRAY, Mr. BRECKINRIDGE, Mr. BRINKLEY, Mr. BROOKS, Mr. BROWN of Ohio, Mr. BROWN of Michigan, Mr. BROWN of California, Mr. BROYHILL or North Carolina, Mr. BURKE of Florida, Mr. Burke of Massachusetts, Mrs. BURKE of California, Mr. BURLISON of Missouri, Mr. BURTON, Mr. CAMP, Mr. CARNEY of Ohio, Mr. CHAMBERLAIN, Mr. CHAPPELL, and Mr. DON H. CLAUSEN):

H. Res. 1119. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. DEL CLAWSON, Mr. CLAY, Mr. COCHRAN, Mr. COLLIER, Mr. CONABLE, Mr. CONTE, Mr. CORMAN, Mr. COTTER, Mr. CULVER, Mr. DAN DANIEL, Mr. DOMINICK V. DANIELS, Mr. DANIELSON, Mr. DAVIS of South Carolina, Mr. DELANEY, Mr. DE LUGO, Mr. DENHOLM, Mr. DENNIS, Mr. DENT, Mr. DINGELL, Mr. DONOHUE, Mr. DOWNING, Mr. DUNCAN, and Mr. EDWARDS of Alabama):

H. Res. 1120. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. EILBERG, Mr. EVANS of Colorado, Mr. FISH, Mr. FLOOD, Mr. FLOWERS, Mr. FLYNT, Mr. FOLEY, Mr. FORD, Mr. FORSYTHE, Mr. FRASER, Mr. FRELINGHUYSEN, Mr. FRENZEL, Mr. FREY, Mr. FROEHLICH, Mr. FULTON, Mr. FUQUA, Mr. GAYDOS, Mr. GETTYS, Mr. GIAIMO, Mr. GIBBONS, Mr. GILMAN, Mr. GINN, and Mr. GOLDWATER):

H. Res. 1121. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. GONZALEZ, Mr. GOODLING, Ms. GRASSO, Mr. GRAY, Mr. GREEN of Pennsylvania, Mrs. GRIFFITHS, Mr. GUDE, Mr. GUNTER, Mr. GUYER, Mr. HALEY, Mr HANLEY, Mr. HANNA, Mr. HANRAHAN, Mr. HARRINGTON, Mr. HASTINGS, Mr. HAYS, Mr. HECHLER of West Virginia, Mrs. HECKELR of Massachusetts, Mr. HEINZ, Mr. HICKS, Mr. HILLIS, and Mr. HOLIFIELD):

H. Res. 1122. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mrs. HOLT, Ms. HOLTZMAN, Mr. HUNGATE, Mr. HUNT, Mr. JOHNSON of California, Mr. JONES of Tennessee, Mr. JONES of Oklahoma, Mr. JONES of Alabama, Miss JORDAN, Mr. KARTH, Mr. KEMP, Mr. KETCHUM, Mr. KING, Mr. KLUCZYNSKI, Mr. KOCH, Mr. KUYKENDALL, Mr. KYROS, Mr. LEHMAN, Mr. LONG of Maryland, Mr. LUJAN, Mr. McCOLLISTER, and Mr. McCORMACK):

H. Res. 1123. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. McDADE, Mr. McFALL, Mr. McKAY, Mr. MACDONALD, Mr. MADDEN, Mr. MARTIN of Nebraska, Mr. MATHIS of Georgia, Mr. MATSUNAGA, Mr. MAZZOLI, Mr. MEEDS, Mr. METCALFE, Mr. MEZVINSKY, Mr. MICHEL, Ms. MINK, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. MOORHEAD of Pennsylvania, Mr. MOSS, Mr. MURTHA, Mr. MURPHY of New York, and Mr. MURPHY of Illinois):

H. Res. 1124. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. NEDZI, Mr. O'BRIEN, Mr. O'HARA, Mr. PASSMAN, Mr. PATTEN, Mr. PEPPER, Mr. PERKINS, Mr. PEYSER, Mr. PICKLE, Mr. PIKE, Mr. PODELL, Mr. PREYER, Mr. PRICE of Illinois, Mr.

Mr. PRITCHARD, Mr. QUIE, Mr. REID, Mr. REUSS, Mr. RINALDO, Mr. ROBERTS, Mr. RODINO, Mr. ROE, Mr RONCALIO of Wyoming, and Mr ROONEY of Pennsylvania):

H. Res. 1125 Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. ROSE, Mr. ROSENTHAL, Mr. ROSTENKOWSKI, Mr. ROUSH, Mr. ROUSSELOT, Mr. ROYBAL, Mr. RYAN, Mr. SARASIN, Mr. SATTERFIELD, Mr. SCHERLE, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHIPLEY, Mr. SHRIVER, Mr. SHUSTER, Mr. SISK, Mr. SKUBITZ, Mr. SMITH of New York, Mr. SNYDER, Mr. SPENCE, Mr. J. WILLIAM STANTON, Mr. JAMES V. STANTON, and Mr. STEED):

H. Res. 1126. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. STEELE, Mr. STEELMAN, Mr. STEIGER of Wisconsin, Mr. STEPHENS, Mr. STUDDS, Mr. SYMINGTON, Mr. TAYLOR of North Carolina, Mr. THOMSON of Wisconsin, Mr. THONE, Mr. THORNTON, Mr. TIERNAN, Mr. TRAXLER, Mr. TREEN, Mr. UDALL, Mr. VANDER VEEN, Mr. VANIK, Mr. VEYSEY, Mr. WALSH, Mr. WHALEN, Mr. WHITEHURST, Mr. WIDNALL, Mr. BOB WILSON, and Mr. CHARLES WILSON of Texas):

H. Res. 1127. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. WOLFF, Mr. WRIGHT, Mr. WYDLER, Mr. YATES, Mr. YATRON, Mr. YOUNG of Georgia, Mr. YOUNG of Alaska, Mr. YOUNG of Texas, Mr. YOUNG of Texas, Mr. YOUNG of Illinois, Mr. ZABLOCKI, Mr. ZION, Mr. ZWACH, Mr. EDWARDS of California, Mr. COHEN, Mr. DERWINSKI, Mr. FASCELL, Mr. MCKINNEY, Mr. BELL, Mr. REES, Mr. ECKHARDT, Mr. SMITH of Iowa, and Mr. MOLLOHAN):

H. Res. 1128. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. CLANCY, Mr. CLARK, Mr. DRINAN, Mr. BROOMFIELD, Mr. DICKINSON, Mr. CEDERBERG, Mr. GUBSER, Mr. HELSTOSKI, Mr. COUGHLIN, Mr. CAREY of New York, Mr. ARCHER, Mr. BLATNIK, Mr. BUCHANAN, Mr. CARTER, Ms. COLLINS of Illinois, Mr. DAVIS of Georgia, Mr. DEVINE, Mr. DORN, Mr. DULSKI, Mr. ESHLEMAN, Mr. FISHER, Mr. HENDERSON, and Mr. HOSMER):

H. Res. 1129. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. HOWARD, Mr. HUBER, Mr. MCCLOSKEY, Mr. MAYNE, Mr. MINISH, Mr. MORGAN, Mr. NELSEN, Mr. OWENS, Mr. PARRIS, Mr. ROBINSON of Virginia, Mr. RONCALLO of New York, Mr. ST GERMAIN, Mr. SCHNEEBELI, Mr. SEBELIUS, Mr. SHOUP, Mr. SIKES, Mr. STARK, Mr. STRATTON, Mrs. SULLIVAN, Mr. ULLMAN, and Mr. VIGORITO):

H. Res. 1130. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. WHITTEN, Mr. WON PAT, Mr. CRONIN, Mr. STOKES, Mr. TOWELL of Nevada, Mr. MCCLORY, Mr. MCEWEN, Mr. SARBANES, Mr. DELLENBACK, Mr. JARMAN, Mr. DELLUMS, Mrs. HANSEN of Washington, Mr. HUDNUT, Mr. LUKEN, Mr. RANGEL, Mr. REGULA, Mr. ROGERS, Mr. WINN, and Mr. WYMAN):

H. Res. 1131. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. STARK:

H. Res. 1132. Resolution relating to the publication of population, economic, and social statistics for Philippine Americans; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause of rule XXII,

480. The SPEAKER presented a memorial of the Legislature of the State of Michigan, relative to Phase IV regulations, which was referred to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DRINAN:

H.R. 14880. A bill for the relief of Tapan K. Mukherjee; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 14881. A bill for the relief of Yuk On Lee; to the Committee on the Judiciary.

By Mr. JAMES V. STANTON:

H.R. 14882. A bill for the relief of Francesco Giuttari; to the Committee on the Judiciary.

SENATE—*Thursday, May 16, 1974*

The Senate met at 9 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God our Father, infinite and eternal, the source of all strength and wisdom, we thank Thee for another day of life and service. Impart to our waiting spirits the gifts of self-mastery and self-control. Make us sensitive to the needs of all the people, careful to hear and evaluate the judgments of our colleagues, obedient to the directions of conscience, and always heedful of the promptings of Thy Spirit. In all our ways may we acknowledge Thy rulership and persevere for the enhancement of Thy kingdom.

We pray in the name of the Great Redeemer. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, May 15, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

BOARD FOR INTERNATIONAL BROADCASTING

The second assistant legislative clerk read the nomination of Foy D. Kohler, of Florida, to be a member of the Board for International Broadcasting for a term of 3 years.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The second assistant legislative clerk read the nomination of D. Dortch Warriner, of Virginia, to be U.S. district judge for the eastern district of Virginia.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of James L. Browning, Jr., of California, to be U.S. attorney for the northern district of California for the term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service, which had been placed on the Secretary's desk.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr President, I ask unanimous consent that the President be notified of the confirmation of these nominations.