HOUSE OF REPRESENTATIVES—*Tuesday, May 21, 1974*

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

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

He leadeth me in the paths of righteousness for His name's sake.—Psalms 23: 3.

O God, whose mercy is over all Thy works and whose truth endureth forever: in the quiet hush of this moment, we humbly lift our hearts unto Thee in prayer.

Give to us a song on our lips in the morning, strength for the day's work, good will for one another, a steadfast loyalty to our country, a courage to maintain high ideals in our national life, and a faith in Thee—which helps us to overcome evil by doing good.

We pray for our President, our Vice President, our Speaker, Members of Congress, and former Members we are delighted to greet this day. So rule their hearts and so direct their endeavors that justice, peace, and truth may live in our land and that together as a nation we may walk along the paths of righteousness for Thy name's sake. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 6541. An act to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of South Carolina;

H.R. 6542. An act to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of South Carolina;

H.R. 7087. An act to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land in Missouri to Grace F. Sisler, the record owner of the surface thereof; and

H.R. 10284. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida.

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate, of the following title:

S. 3072. An act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes.

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

S. 3473. An act to authorize appropriations for the Department of State and the U.S. Information Agency, and for other purposes.

RECESS

The SPEAKER. Pursuant to the authority granted the Speaker on Thursday, May 16, 1974, the Chair declares a recess subject to the call of the Chair, to receive the former Members of the House of Representatives.

Accordingly (at 11 o'clock and 2 minutes a.m.), the House stood in recess subject to the call of the Chair.

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER of the House presided.

The SPEAKER. On behalf of the Chair and the Chamber, I consider it a high honor and a distinct personal privilege to have the opportunity of welcoming so many of our former Members and colleagues as may be present here for this occasion. We all pause to welcome them.

This is a bipartisan affair, and in that spirit the Chair is going to recognize the floor leaders of both parties.

The Chair now recognizes the distinguished gentleman from Massachusetts, the majority leader, Mr. O'NEILL.

Mr. O'NEILL. Mr. Speaker, I want to welcome our former colleagues. I recall to mind the statement of Winston Churchill, one of the great men of the 20th century, who said that his greatest honor was that he had held a seat in the House of Commons.

We have had so many colleagues through the years who have served in either this body or the other body and gone on to be President of the United States, and they, too, have had the same feeling that their greatest honor was to serve in the Congress of the United States. Therefore, we say, "Once a Congressman, always a Congressman." With that, may I say that as the leader of the majority, we are all happy to see our former colleagues back here.

We welcome them with open arms. The day is theirs.

The SPEAKER. The Chair now recognizes the minority leader of the House of Representatives, the Honorable JOHN J. RHODES, of Arizona.

Mr. RHODES. Mr. Speaker, I certainly wish to associate myself with the remarks of the distinguished majority leader. This month of May is a great month. This is the month in which people come back to their alma maters, wave the colors of the old college, reminisce and indulge in all of the activities which old grads love.

I think it is particularly fitting that in this month of May we have so many former Members of the House of Representatives come back here to meet together and to meet with us. The House of Representatives is, as we all will agree, a unique institution, our alma mater in a very significant way. It has always stood for the principles which have made this country great. Its Members and its leaders have always guarded very jealously the prerogatives and duties with which it has been entrusted under the Constitution. The bonds which we have as Members and former Members are bonds which never fade and never weaken. Once a Member, always a Member.

It is a very distinct personal pleasure for me to be able to greet all of you as a group and I hope certainly before the day is over to have the opportunity to shake the hand of each one individually.

I cannot help but comment how young you all look and it makes me wonder if perhaps you know something we do not know. I am pleased it is that way.

I naturally hope that sometime I will be able to stand where you stand but only after a voluntary action on my part, not on the part of my constituents.

It is a pleasure, my colleagues and former colleagues, for me to have the opportunity to welcome you. I hope you will have the best of everything not only today but through many years to come.

The SPEAKER. The Clerk will now call the roll of former Members of the House of Representatives.

The Clerk called the roll of former Members of the House of Representatives, and the following former Members answered to their names:

ROLLCALL OF FORMER MEMBERS OF CONGRESS ATTENDING "ALUMNI DAY" REUNION, TUESDAY, MAY 21, 1974

E. Ross Adair, Indiana.
Hugh Q. Alexander, North Carolina.
Elizabeth Andrews, Alabama.
William R. Anderson, Tennessee.
O. K. Armstrong, Missouri.
William H. Avery, Kansas.
William H. Ayres, Ohio.
Robert R. Barry, New York.
Ross Bass, Tennessee.
Frank J. Becker, New York.
Page Belcher, Oklahoma.
Iris F. Blitch, Georgia.
J. Caleb Boggs, Delaware.
Frances P. Bolton, Ohio.
John W. Bricker, Ohio.
Clarence G. Burton, Virginia.
George Bush, Texas.
John W. Byrnes, Wisconsin.
Katherine Byron, Maryland.
Howard H. Callaway, Georgia.
Victor Christgau, Minnesota.
W. Sterling Cole, New York.
William C. Cramer, Florida.
Willard Curtin, Pennsylvania.
Vincent J. Dellay, New Jersey.
Francis E. Dorn, New York.
Henry Ellenbogen, Pennsylvania.
Paul A. Fino, New York.
Ellsworth B. Foote, Connecticut.
GERALD R. FORD, Michigan.
J. Allen Frear, Jr., Delaware.
Peter A. Garland, Maine.
Edward A. Garmatz, Maryland.
ROBERT GRIFFIN, Michigan.
E. C. Gathings, Arkansas.

Robert Hale, Maine.
John R. Hansen, Iowa.
Porter Hardy, Jr., Virginia.
Brooks Hays, Arkansas.
Don Hayworth, Michigan.
William E. Hess, Ohio.
Patrick Hillings, California.
Earl Hogan, Indiana.
Evan Howell, Illinois.
W. Pat Jennings, Virginia.
Jed Johnson, Jr., Oklahoma.
Charles B. Jonas, North Carolina.
Walter H. Judd, Minnesota.
Frank M. Karsten, Missouri.
James Kee, West Virginia.
Hastings Keith, Massachusetts.
David S. King, Utah.
Thomas S. Kleppe, North Dakota.
Frank Kowalski, Connecticut.
John Davis Lodge, Connecticut.
Allard Lowenstein, New York.
Hervey G. Machen, Maryland.
Carter Manasco, Alabama.
John O. Marsh, Jr., Virginia.
D. R. (Billy) Matthews, Florida.
George Meader, Michigan.
William S. Mailliard, California.
George P. Miller, California.
Walter H. Moeller, Ohio.
John S. Monagan, Connecticut.
Rogers C. B. Morton, Maryland.
Abraham J. Multer, New York.
F. Jay Nimtz, Indiana.
Frank C. Osmers, Jr., New Jersey.
Harold C. Ostertag, New York.
George Outland, California.
Graham Purcell, Texas.
R. Walter Riehlman, New York.
John M. Robison, Jr., Kentucky.
Byron G. Rogers, Colorado.
Harold M. Ryan, Michigan.
Alfred E. Santangelo, New York.
Carlton R. Sickles, Maryland.
Alfred D. Sieminski, New Jersey.
William Springer, Illinois.
Lynn Stalbaum, Wisconsin.
Frank L. Sundstrom, New Jersey.
John H. Terry, New York.
Clark W. Thompson, Texas.
Elizabeth Gasque Van Exem, South Carolina.
James E. Van Zandt, Pennsylvania.
George M. Wallhauser, New Jersey.
Fred Wampler, Indiana.
James D. Weaver, Pennsylvania.
J. Irving Whalley, Pennsylvania.
J. Ernest Wharton, New York.
Basil Whitener, North Carolina.
Ralph W. Yarborough, Texas.

The SPEAKER. The Chair announces that 93 former Members of the House of Representatives have responded to their names.

The Chair is now happy to recognize the gentleman from Arkansas, Mr. Brooks Hays, to speak and to introduce the distinguished former beloved Member, Mr. GERALD R. FORD.

Mr. BROOKS HAYS. Mr. Speaker, Mr. Vice President, my former colleagues, and my colleagues of the Former Members of Congress:

First, I wish to thank the Speaker, the majority leader, and the minority leader for the very cordial and gracious way in which they have received us, not only today but on three previous occasions. This is the fourth of our annual meetings.

It would be difficult for someone who has not participated in our association to understand, perhaps, why we believe that a significant new force has been released in the American governmental life. We are not lobbyists. Our sole question is, what can we do for Congress; not what can Congress do for us.

Mr. Speaker, I am grateful for the reference of the minority leader to the fact that we appear not to be aging. Though our stride may be slow, our dreams and our hopes and our visions are still vibrant. Everyone knows that we love this institution. I may say to the gentleman from Arizona, I said to a young friend the other day, "You do not remember when I made my first unsuccessful race for Congress, do you?"

"No," he said, "but my grandfather does."

Then, a friend of mine told me he had been going through some old letters and he discovered one from his son stationed at Quantico during the war:

DEAR DAD: I went up to Washington for the weekend. I had such a good time. I saw Lincoln's Monument, Lindbergh's airplane, the dinosaur bones and Congressman Hays.

Mr. Speaker, we have no pretense to power. As a matter of fact, we renounce it. We know that power converges here; many streams of influence converge here, and we want to be a part of them. We want to help you. We want to have a part in improving the image of Congress.

We believe that this Congress and previous Congresses deserve a better rating than they have. You are familiar with these disturbing figures. So, we look forward to participating in some of the activities that will make a definite impact upon this situation. Some Members may have seen the figures. I believe they were assembled by a Senate committee recently showing that, of those interrogated, 20 percent of the people of the United States believe that the Supreme Court is a part of the Congress. Thirty-eight percent do not know that Congress is composed of two Houses.

So, here is a gigantic challenge to us as laymen in the field of education. I think James Madison put it very succinctly, very well indeed, when he said, "Popular government without popular education will be a farce or a tragedy, conceivably both."

I am sure he was not narrowing his concept to public education, formal education in the public schools. He conceived of education as a continuing adult process.

Mr. Speaker, the Republic, however, is young. We can build upon old foundations, and to illustrate the fact, in my own life, I will draw again an illustration that the Republic is young. I served in this body with Homer Angell of Oregon, whose father was born in Thomas Jefferson's administration. We have in the lives of two men, father and son, a span covering the life of the Republic.

As a young student at George Washington law school 55 years ago, I participated in a debate with Swarthmore College, and the presiding officer in that debate was a Member of Congress. His name was Joseph G. Cannon. He had been elected to the Congress in 1872. The Republic indeed is young.

Members may remember that in our first assembly here in 1971 we were addressed by a former Member who had passed the age of 100 years, Earl Beshlin of Pennsylvania.

The following year—and this illustrates the fact that longevity is no monopoly of the Democrats—Mr. Beshlin happened to be a Democrat—and I cannot resist inserting that since he was also elected on the Prohibition ticket, my Baptist friends would say there is some connection there. I know the Members were hoping that I would make history by not mentioning the Baptists.

But I would like to point out he was 101 years of age.

The following year Maurice Thatcher of Kentucky was here to address the Members. Many of the Members heard him. He had lived to be 101 years of age in 1972, so we think longevity belongs to us in a beautiful nonpartisanship.

There are many among us today who have reached 90, such as the venerated Carl Vinson and Howard Smith. And "Mannie" Celler and Marvin Jones. I know they are with us in spirit.

The finest therapy for those who might feel that retirement would create pathology is to affiliate with us on retirement, with or without the consent of the people. I waited until I had the people's consent to retire. Either way, we want you to be one of us, and you will enjoy it. We are a happy lot.

I know that there is work for us to do—and it is obvious that the activity we engage in is not as onerous as it was when we were here. It is unlike your work which, of course, is a work of pressure. But activity is not suspended. If the work has slowed down, remember that it is still creative. Even creative thought, conveyed to another person, is creative work.

But let me talk about our organization a little more and give you some statistics on it because we are very proud of what we have done. We have approximately 400 members now.

Incidentally, 10,572 Americans have served in the Congress since 1774, 200 years ago, which date marked the beginning of the Congress. I mention it because, after all, the Congress is the oldest of the three branches of government.

Of this number, 8,886 served in the House and 1,131 in the Senate. Twenty-two of these men became President of the United States, and nine of them served in both Houses of the Congress.

I wish there were time to mention all of the people who have had a part in our many projects.

If I give the impression, incidentally, that our average age is high, let me remind you that there are many young men in the group. Our executive director, Jed Johnson, Jr., was only 3 years of age when I was elected to Congress. He is still only 34 years of age, although, when he took his office here, he was just 5 days over the minimum constitutional requirement, the youngest man ever elected, and he has been very active in our organization. As a matter of fact, much of the credit due for what I am about to announce is due Jed Johnson.

I am happy to announce that the Lilly Endowment of Indianapolis has just awarded our organization $80,000 for our activities. If you had known the extent of our budget problems, you would know how much we appreciate that grant. It is good to have $80,000 now to finance our oral histories, for example.

I grieve over the death of Carl Durham. I read of that the other day. I might mention that through a grant of the Richardson Foundation we were able to have oral recordings of several Members from North Carolina.

As you know, he was that great American who unfolded some of the things that are not in the history books. He was a member of the Committee on Armed Services and the Joint Committee on Atomic Energy, so I am happy that we have his recording.

As I indicated, I cannot mention everyone, but I must mention one who was my predecessor, Walter Judd, my longtime, dear friend who served for two decades in this House as an outstanding Representative from Minnesota, and the fact that he weathered the storm prior to this is largely due to his superb handling of our problems.

Mr. Speaker, when the House reconvenes, someone will ask permission on my behalf to insert the names of the present officers. I would be happy to tell you who will succeed me this afternoon, expect that it is to be by election, and elections are somewhat unpredictable, as I have discovered. This information will be inserted in the RECORD. The names of the board members and the officers will be inserted for your information.

Now, let me tell you just a little concerning the underlying philosophy of our organization.

Lincoln, you will remember, said, "We may meanly lose or nobly save the last best hope of earth."

In another context, John F. Kennedy said, "If we fulfill the world's hope, it will be by fulfilling our own faith."

The bedrock of popular government is constitutional government, and the bedrock of constitutional government is representative government. While we have built our organization on the single assembly, we believe that the two-party system is sound. We acknowledge the fact of the two-party system in our organization, the Senators being, of course, the minority, and we seek a balanced representation on our board.

Mr. Speaker, I wonder if I cannot say something as an elder politician to the young men who are Members of this Congress listening to me. I hope it will not be presumptuous, but I would like to say that you would not be here if you were not leaders. If I might use a word which has lost some of its glamor and power, even though I think it is a good word, I will say that you are of the elite. You need not be a patrician to be leaders; you are here because you are leaders.

One of my young friends from Arkansas, BILL ALEXANDER, said: "Blessed are they who promote democracy with a jolly endurance." Do not tire of your burdens of leadership.

In a more sophisticated way, Chaucer put it in beautiful language: "If the gold rust, how can the iron be saved?"

I come now to a very happy part of my function on this program. I do not know whether I have ever told you this—there are a few things that I have not told you which are designed to produce a smile, although I do not always get it—but you are a very tolerant people, you even smile at some of my old Arkansas stories. Senator ERVIN did not recognize that I was telling a story about North Carolina the other day, and he smiled.

This is a story about the time I heard a lawyer speaking to his client, a widow. He said, "Did you hear your husband's last words?"

She said, "Sure."

He said, "What were they?"

She said " 'Go ahead and shoot. You couldn't hit the side of a barn.' "

I have never told you about a lad who was in the Arkansas penitentiary. His little wife wanted to hold the family together. They had a little hillside farm. She wrote to him and said, "When shall I plant the potatoes?"

He wrote back, "For goodness sake, don't dig around that garden bed. That's where my guns are buried."

The sheriff and his deputies intercepted the letter and rushed out there and dug up every square yard of that garden.

Then he wrote to his wife, "Now it's time to plant the potatoes." Now it is time for me to introduce our speaker.

Mr. Speaker, I have a little whimsy that I indulge in. I like to talk about friends who never met. Lincoln and Lee never met, but they would have loved each other. Apparently they never met. The historian I rely on said they did not meet, that they corresponded but never met.

They would have loved one another, because Lincoln said, "I have not suffered from the South; I have suffered with the South."

Robert E. Lee said, "If readmitted to the sisterhood of States, we will obey the Constitution, and we will work out plans for justice and understanding of the white majority with our new emerging black minority."

They would have loved each other. I said during a talk I gave at Belmont Abbey College the other day that Pope John XXIII and Martin Luther would have loved each other, and the Benedictine Fathers nodded approval. I took a chance when I said it, but I believe it.

I wondered, as I thought about the great man whom it is now my privilege to introduce, "What man in history would have been interested in him? What person who is prominent would have said, "Here is a congenial soul." I have concluded that it was a great American from his own State, a man named Lewis Cass.

He would have loved GERRY FORD. Both were frontiersmen from Michigan, really. It is known now as a great modern industrial State, but there is a lot of frontier life there still. Some of it, of course, is an industrial frontier. But Lewis Cass and GERRY FORD would have been good friends.

Both were educated in New England; both defended their country in time of war.

While I have not had research on this subject, I am going to take a risk on it. I have an idea, being a soldier, that Lewis Cass enjoyed his tobacco. Let me say that no man in modern life is as artful in handling a pipe as this man I am about to introduce. They both enjoyed smoking, I am sure.

But I am going to violate my resolution again by mentioning the Baptists, because they love GERRY FORD down at Wake Forest University. He sent his son there, and the Vice President tells me that we did mighty well for that son of an Episcopalian. You see, we are not only bipartisan but nonsectarian, and that is the way it ought to be in this Congress and that is the way it has always been.

Now listen to this philosophy of Lewis Cass and you will see why I think that he was the one who, of the historic figures that preceded GERRY FORD, would have been a friendly person to him. Irwin Stone said of Lewis Cass, "Hating no one, speaking no evil word, making few enemies, liked wherever he went—honest persevering, social minded, and a perfectly adjusted human being, a delight to the eye and an inspiration to the mind—an invaluable public servant."

Lewis Cass said this—and maybe you have been reading the same speeches I have been—"In proportion, as all governments recede from the people, so they become liable to abuse."

What I have tried to say is we are very happy to have as our most recent addition to the ranks of the former Members a very prominent and popular Member, the man admired by all of us and who has displayed these qualities in his association with us and always gently advanced his ideas.

So, Mr. Speaker, it is my happy privilege to present to you, ladies and gentlemen, the Vice President of the United States. [Applause.]

Mr. GERALD R. FORD, Vice President of the United States. Mr. Speaker, my distinguished former colleagues—it is a high honor to be here today. To the gentleman from Arkansas, Mr. Hays, whose long and outstanding service in the Congress is respected by us all, I am especially grateful for the presentation of this gavel—the symbol of the parliamentary process.

Earlier this morning I returned from Hawaii. I could not help but think how our American union has grown since those days when we were 13 sparsely settled colonies clinging for their survival along the rim of our eastern seaboard.

When you met last year, I was the U.S. Representative from the Fifth Congressional District of Michigan. I could not foresee that today I would be standing here addressing you as the Vice President of our country. Neither could I have imagined as I worked with many of you to adopt for later ratification the 25th amendment that I would be the first selected through such means to the Vice Presidency.

In the some 5 months since I left the House, I view with even greater respect

our legislative branch. Separation from that which was the warp and woof of your life causes not just a nostalgia for other times, but also reflections as to the real meaning and purpose of our Congress.

Let us remember the power of this Republic is not to be measured in its armaments, essential as they are.

Neither is it to be found in technological achievements, of which we can be justly proud.

Nor is it expressed by our gross national product, huge as it is.

Rather, the power of the Republic is found in its institutions and in the spirit of its people.

The idea forces that have shaped our Nation and brought us to the pinnacle of power also are the same forces that bring us into confrontations with peril in this uneasy world in which we live.

Shakespeare observed, "That all the world's a stage." If that be true, then as the drama unfolds in the last quarter of this century, America cannot afford to be a bit player.

Whether we like it or not, our technological achievements and military power have combined with time and circumstance; so we find ourselves center stage in the leading role of this global drama. And here in this institution we call the Congress it all began two centuries ago come this September when the First Continental Congress convened in Philadelphia. Thus began the American experiment.

Jefferson proclaimed an aristocracy for America. It was an aristocracy of "talent and virtue." Certainly, no one was better qualified for that aristocracy that Lincoln who was a student and admirer of Jefferson principles. Congressman Jefferson, who wrote our great declaration as a Member of the Second Continental Congress, is renowned as a political theorist. Congressman Lincoln gave meaning in a practical way to Jeffersonian theory. Lincoln was an embodiment of the principles stated in the Declaration. In his kind and simple way, this man, a product of the American frontier, translated the hopes and promises of that document to the American common man.

The House today captures something of the genius of these two men to combine theory and practice in the art of government.

Much criticism is leveled at the Congress today. Much criticism was leveled at the Continental Congress. Indeed, letters of that time reflect the anger and exasperation it inspired. Succeeding Congresses have also been criticized, and future Congresses will surely be. Yet, those of us who have served here know that this institution adjusts and responds to demands of the times. Sometimes this response is not just in the form or manner the critics demand or envision, but in an overall way it invariably is consistent with the needs of the day. This resiliency and ability to change, usually in a gradual way, is at the heart of our representative system.

As one who has served in the Congress for a quarter of a century, permit me to make several observations. They reflect my present vantage point, but are largely influenced by years of service in the House.

In certain fundamental ways, we have not changed from that first assembly of colonial representatives. This is because the Congress is a parliamentary institution composed of free men whose responsibility it is to govern a free Nation—and neither shifting political philosophies nor political majorities have ever changed that—nor do I believe they ever will. Indeed, it is our duty to make sure they do not.

Both of our Houses are, we know, highly partisan bodies in their organization, but what often is not known is that friendships transcend party lines, and other loyalties reach across the center aisle. We also know these Houses can act in a partisan, a bipartisan, and a nonpartisan way. The biggest problem most Members have in voting is not trying to figure out the Republican way or the Democratic way, but the right way to vote.

The history of American Government has proven the validity of the checks and balances system which derives from our tripartite, coequal branches. This coequality of the Congress is vital. Some cannot be "more equal than others." The Congress is the people's branch, and to the extent its role in the federal system is diminished, so too is diminished the role of the people in that system.

At the heart of representative government is the legislature. If it is strong, the republic will be secure. The House has been likened to a barometer. It reflects the moods and whims of the American people—their hopes—their fears; their weaknesses—but foremost their strengths. Here you may find the story of our people's sacrifices and the history of their courage. It is also a piece of litmus paper upon which are dropped the acids of public opinion. Opinion which shapes legislation.

The French Revolution inspired the term "the fourth estate," however, genuine freedom of the press was a product of the American Revolution. In this Chamber, as in the legislative assemblies across our land, we see evidence of the vital role the news media play in the processes of government so that in many ways they are nearly the fourth branch of American Government.

There is not a Member here who has not felt the criticism of the media. There are times when this criticism has not been just; but, notwithstanding, neither is there anyone here who does not recognize that one of the safeguards of individual liberty is a free press.

Responsiveness is an important part of the legislative process. Responding to the needs of the people is a duty of the legislator. However, the Congress, in addition to being responsive, must be responsible. The latter is sometimes a sterner, a difficult task, but at times being responsible in terms of the Nation's needs is harder than being responsive to the wishes of the people. Our Nation is a world power. Leadership in world affairs is a responsibility that is thrust upon the United States, and hereby devolves on the Congress. Participation in world affairs is not always understood by the American people; and the isolationism which was the hallmark of the 1920's and 1930's is reflected at times by an attitude of "noninvolvement" in the 1970's.

We speak often in terms of the close of this century. However, the next 25 years mark the end of the millenium in which we live. About to pass are a thousand years of western history that began in the dark ages. A darkness that would be pierced ever so painfully by enlightenment that came slowly. The Magna Carta was the birth pang of representative government. The barons who met at Runnymede to curb the power of King John had something in common with men who met at Philadelphia to protest the abuses of King George. And, in both cases, few, if any, were aware of the greatness they had done there.

For representative government, the road to Philadelphia began at Runnymede. We are still travelers on that road. Through trial and adversity—through agony and accomplishment—through Civil War and economic devastation, the Republic has still moved inexorably along that road.

Whether in the Nation's travails or triumphs, the strength of the Congress has been proven.

If our aristocracy is to be one of talent and virtue, then the Congress is the freely elected fraternity of free men.

Only 10,571 Americans have ever served in the Congress. The official encyclopedia of our membership begins with the first Continental Congress whose bicentennial anniversary occurs September this year. I am glad of the action taken already. I would hope this Congress will take those further steps it deems appropriate to insure this Nation and its people observe this beginning of the American experiment. An experiment which 200 years later has produced not only material wealth and power, but more importantly, has expanded the horizons of human freedom for its own citizens and has been a hope for mankind everywhere.

Let us resolve that this hope shall become a truth self-evident; that indeed life, liberty, and the pursuit of happiness are the birthright of every man, everywhere.

Thank you very much.

[Applause, the Members rising.]

The SPEAKER. The Chair recognizes the gentleman from Arkansas, Mr. Hays.

Mr. BROOKS HAYS. Mr. Speaker, first I want to ask Dr. Walter Judd to come and join me for this final part of our ceremony. I want him to stand here with me as a symbol of the bipartisan character of this organization. Bud Johnson just told me I forgot to call his name. I was not forgetting, but he forget to call my name once.

The name Hays, Walter, from Arkansas.

I have something to present to our Vice President I know will please him. He is not without gavels, but he does not have anything that will carry any more sig-

nificance than a symbol of affection like this one.

Mr. Speaker, the beautiful friendship that has existed between you and Mr. FORD has been an inspiration to all of us.

I want to make another reference. One of the great pangs of my defeat was that I knew I would not be here long enough to see you preside, so now I have had that thrill and I want you to know we appreciate you, sir, and I repeat that your graciousness has indicated that.

Walter has seen the gavel and I know he will agree with all that I have said. I do not know whether there is a lock on this thing or not. He will have to get it out if he ever uses it. I do not care whether he uses it or not.

I hope he does not use it as did my former beloved Speaker, Sam Rayburn. He would raise it and before it banged, I would have to speak while it descended. That is how much time I got.

So I am happy to present this to you, sir, the Vice President, with the admiration and affection of our 400 Members.

Mr. GERALD R. FORD. Mr. Speaker, I do wish to thank Brooks Hays and Walter Judd, and all my former colleagues here today for this wonderful gavel. As the Speaker well knows, on five successive occasions I sought to have the honor of wielding the gavel in the chair that is occupied by my good friend; so if I cannot get the gavel in the House at the Speaker's desk, it is wonderful to get it in the well of the House.

I thank you all very, very much.

Mr. BROOKS HAYS. Mr. Speaker, I wish to report that the following members of Former Members of Congress expressed their regrets at not being able to attend in person this annual reunion in the House Chamber.

Speaker John W. McCormack, Massachusetts.
D. Emmert Brumbaugh, Pennsylvania.
Harry P. Cain, Washington.
Joe Holt III, California.
E. H. Jenison, Illinois.
Marvin Jones, Texas.
Elizabeth Kee, West Virginia.
Edna Kelly, New York.
Henry Cabot Lodge, Massachusetts.
Thomas G. Morris, New Mexico.
Karl E. Mundt, South Dakota.
F. A. Muhlenberg, Pennsylvania.
William T. Pheiffer, New York.
Charlotte T. Reid, Illinois.
Leverett Saltonstall, Massachusetts.
Byron N. Scott, California.
Robert T. Secrest, Ohio.

Mr. Speaker, I am grieved to announce the death of the following Members of our organization since our last assembly in 1973 in this Chamber:

John W. Boehne, Jr., Indiana.
Ranulf Compton, Connecticut.
Harold D. Cooley, North Carolina.
Lewis W. Douglas, Arizona.
Carl T. Durham, North Carolina.
J. Vaughan Gary, Virginia.
Burr P. Harrison, Virginia.
B. Everett Jordan, North Carolina.
William F. Knowland, California.
Roy H. McVicker, Colorado.
Chester E. Merrow, New Hampshire.
Charles G. Oakman, Michigan.
Thomas M. Pelly, Washington.
Frank Small, Jr., Maryland.
James V. Smith, Oklahoma.
R. Ewing Thomason, Texas.
Herbert S. Walters, Tennessee.

The following have served during the last year as officers and directors:

Brooks Hays, President.
George Meader, Vice President.
J. Caleb Boggs, Secretary.
Joseph W. Barr, Treasurer.
John W. Byrnes.
Jeffery Cohelan.
Jed Johnson, Jr.
Walter H. Judd.
Thomas H. Kuchel.
Walter H. Moeller.
A. S. Mike Monroney.
Howard W. Pollock.
Fred Schwengel.
Joseph D. Tydings.
James E. Van Zandt.

In addition, our association is grateful for volunteer service in various capacities of Mrs. Dorothy Bageant, Miss Irene Lewis, Mrs. Clara Mallard, Warren Cikins, Dean Determan, and James Rogers.

Mr. Speaker, I wish now to report that at its annual meeting today former Member of Congress elected to serve as its president for the next year, George Meader of Michigan, and as its vice president, Jeffrey Cohelan of California.

To serve on FMC board of directors the following were elected:

John Sherman Cooper of Kentucky for 1 year to the unexpired term of Thomas H. Kuchel of California.

J. Allen Frear of Delaware for 1 year to the unexpired term of the late B. Everett Jordan, deceased.

For 3-year terms expiring in 1977: William R. Anderson of Tennessee, Melvin Laird of Wisconsin, Horace R. Kornegay of North Carolina, and Charlotte Reid of Illinois.

The SPEAKER. The Chair wishes again to thank the former Members for their presence here today and in order to give former Members and sitting Members a chance to visit a little while, the recess of the House will continue until 12:15 p.m., at which time the House will be called back into session.

Accordingly (at 11 o'clock and 53 minutes a.m.), the House continued in recess until 12 o'clock and 15 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 15 minutes p.m.

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 May 16, 1974, the President approved and signed bills of the House of the following titles:

H.R. 5759. An act for the relief of Morena Stolsmark; and

H.R. 6116. An act for the relief of Gloria Go.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar Day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC., U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, Sfc., U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ESTELLE M. FASS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

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

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

AUTHORIZING SECRETARY OF THE INTERIOR TO SELL RESERVED PHOSPHATE INTERESTS IN CERTAIN LANDS IN FLORIDA

The Clerk called the bill (H.R. 10626) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of the estate of Peter Boscas, deceased.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

VIORICA ANNA GHITESCU, ALEXANDER GHITESCU, AND SERBAN GEORGE GHITESCU

The Clerk called the bill (H.R. 8543) for the relief of Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu.

There being no objection, the Clerk read the bill as follows:

H.R. 8543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of the net proceeds of any interest representing vested property held in the United States Treasury, the sum of $132,399.77 to Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu, in accordance with the opinion rendered in the congressional reference case, Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu versus the United States, numbered 1–70, filed on April 3, 1973, by the Chief Commissioner of the Court of Claims. The amount stated in this Act is to be paid to the said Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu in full settlement of their claims against the United States for the divesting of money vested in and transferred to the Attorney General of the United States pursuant to vesting order numbered SA–260 dated July 24, 1958, issued under the authority of the International Claims Settlement Act, as amended.

No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdeameanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NOLAN SHARP

The Clerk called the bill (H.R. 7768) for the relief of Nolan Sharp.

There being no objection, the Clerk read the bill, as follows:

H.R. 7768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nolan Sharp the amount certified by the Administrator of Veterans' Affairs as provided in section 2 of this Act in full settlement of the claims of the said Nolan Sharp (Veterans' Administration claim number C3 281 237) for retroactive service-connected disability payments for multiple sclerosis in the period from June 5, 1943 to October 1, 1962.

SEC. 2. The Administrator of Veterans' Affairs is authorized and directed to determine the amount of disability payments that the said Nolan Sharp would have been entitled to for a service-connected disability for multiple sclerosis had the Veterans' Administration recognized that disability and paid benefits in the period after June 5, 1943, date of his discharge.

The Administrator of Veterans' Affairs shall certify the amount so determined to the Secretary of the Treasury for payment as provided in section 1 of this Act.

With the following committee amendments:

Page 1, line 10: Strike "June 5, 1943" and insert January 16, 1956."

Page 2, lines 6 and 7: Strike "June 5, 1943, date of his discharge." and insert "January 16, 1956 to October 1, 1962 reduced by the total of any amounts paid him as non-service-connected disability pension payments in the same period."

Page 2, after line 10, insert:

SEC. 3. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARCOS ROJOS RODRIGUEZ

The Clerk called the Senate bill (S. 724) for the relief of Marcos Rojos Rodriguez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

The SPEAKER. That concludes the call of the Private Calendar.

THE MOOD OF OUR COUNTRY

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

Mr. WHITE. Mr. Speaker, it seems to me that the overall tenor of our great country tends to reflect an ever-increasing mood of depression—spiritual and economic. I have just recently received a letter from a constituent of mine which speaks to this problem with sincerity, eloquence, and above all, with an enduring truth. This letter is from Mr. Howard N. Kelly of El Paso, Tex., and I would like to share his inspiring thoughts by quoting parts of it for the RECORD:

Recently, there has been too much whining about the United States. A whining in which I am not about to share. We're an infant in the time of history and but a speck in the infinite time of God. And like any young feller, we're prone to stumble over something and go sprawling. This happens to human beings on a personal or collective basis.

Maybe we came too far, too fast. That's a matter of opinion. I am, however, entirely confident that our country not only has the greatest of futures, but also that this future will develop from such situations as "Watergate" and the energy shortage, etc.

Believe me, sir, this is not a "rah, rah" theoretical matter. The American soldier, for instance, is a good reflection of our attitudes. Long years of service from Pvt. through Sgt. Maj. taught me that we do right well when the chips are down.

I know there are millions upon millions of Americans who think straight and pay a mind to the win-loss average rather than coming all apart when we're in a bind.

DISTRICT OF COLUMBIA BUDGET FOR FISCAL YEAR 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-299)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I am transmitting to the Congress the budget of the District of Columbia for the fiscal year beginning July 1, 1974.

The budget proposals herein have been prepared by the Mayor-Commissioner and the City Council in accordance with their responsibilities under Reorganization Plan No. 3 of 1967, and they also reflect the comments of the citizens of the District during City Council budget hearings. Further review of these proposals has been made by the Office of Management and Budget as specified in the District of Columbia Revenue Act of 1970.

The fiscal year 1975 budget represents the assumption of new responsibilities by the District of Columbia as it moves toward more self-government. The great progress made in recent years by the District Government program and fiscal management attests to its ability to move effectively along the path charted by the District of Columbia Self-government and Governmental Reorganization Act of 1973. This budget indicates that the city welcomes these additional responsibilities and that it is prepared to work with the Congress on behalf of all residents of the District of Columbia to improve local government and the quality of city life

I urge the Congress to act upon these proposals in the same spirit.

RICHARD NIXON.

THE WHITE HOUSE, *May 21, 1974.*

PERMISSION FOR THE COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

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

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

There was no objection.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. MONTGOMERY. 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. 231]

Adams	Dorn	Morgan
Anderson, Calif.	Drinan	Nichols
Barrett	Eilberg	Nix
Biester	Foley	Parris
Blatnik	Fraser	Reid
Boggs	Gibbons	Rooney, N.Y.
Buchanan	Green, Pa.	Rooney, Pa.
Camp	Hanna	Rosenthal
Carey, N.Y.	Hansen, Idaho	Runnels
Chisholm	Hays	Shuster
Clark	Helstoski	Steed
Clawson, Del	Hicks	Steiger, Ariz.
Clay	Johnson, Pa.	Stubblefield
Conyers	Jones, Okla.	Teague
Coughlin	Kluczynski	Williams
Culver	Leggett	Wyatt
Diggs	Litton	Yatron
	Michel	

The SPEAKER pro tempore (Mr. MCFALL). In this rollcall 381 Members have recorded their presence by electronic device, a quorum.

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

CONGRESS BLAMED FOR LOSS OF VETERANS' BENEFITS

(Mrs. HECKLER of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER of Massachusetts. Mr. Speaker, as all of my colleagues know, May 31 is a very significant date for 300,000 of our Nation's veterans. Unfortunately, it is not a day to celebrate—it is a day to dread.

On that day these young men who served our country will lose their GI bill benefits, even though they have not finished school.

Why is this so? The responsibility for this impending tragedy, Mr. Speaker, lies squarely on the Congress, and while it is anguishing for me to say this, the truth cannot be glossed over.

The truth is that the extension of eligibility for these veterans has been held hostage, while the House and Senate tried to force each other into accepting their particular version of other veterans' education legislation.

As this internecine debate goes on, we drift closer and closer to that day when the last benefit check is issued, and hundreds of thousands of veterans will be forced to leave school because the House and Senate are consumed with policy differences that are eclipsed by the real priority—to extend the eligibility.

There is still time to make May 31 a day of celebration, but we must act quickly, and with every passing day our hope dies a little more. I plead with those Members who can move this legislation to respond with justice to the greatest needs of the Vietnam veteran and get to work.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess to receive former Members be printed in the RECORD and that all Members and former Members who spoke during the recess have the privilege of revising and extending their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

RURAL ELECTRIFICATION GUARANTEED LOAN PROGRAM AMENDMENTS

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12526) to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended.

The Clerk read as follows:

H.R. 12526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306 of the Rural Electrification Act of 1936, as amended, is amended—

(a) by adding at the end of said section 306 the following:

"Any security, representing beneficial ownership in a note or block of notes guaranteed under this title, issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Administrator shall require that (i) the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) the issuer provide such periodic reports of sales as the Administrator deems necessary.

"Evidences of indebtedness, issued by such a legally organized lending agency, which

provide that such evidences of indebtedness shall at all times be secured by (i) a principal amount of, and interest which has accrued on, guaranteed loans, (ii) an amount of cash or (iii) a principal amount of, and interest which has accrued on, any securities of a class exempted by section 3(a)(2) of the Securites Act of 1933, as amended, from the provisions of said Act, or (iv) any combination of the foregoing, in an aggregate amount which shall at least equal the principal amount of, and interest which has accrued on, said evidences of indebtedness, shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Administrator shall require that (i) the issuer place said guaranteed loans, cash, and exempted securities in trust for the benefit of the holders of said evidences of indebtedness with an institution chartered by a Federal or State agency to act as trustee and (ii) the issuer provide such periodic reports of sales as the Administrator deems necessary.

"A guaranteed loan, including the related guarantee, may be assigned to the extent provided in the contract of guarantee executed by the Administrator under this title; the assignability of such loan and guarantee shall be governed exclusively by said contract of guarantee."; and

(b) by inserting the word "initially" before the words "made, held, and serviced" in the sixth sentence of said section 306.

SEC. 2. Section 308 of the Rural Electrification Act of 1936, as amended, is amended by striking therefrom the words "of which the holder has actual knowledge" and substituting in lieu thereof the words "of which the holder had actual knowledge at the time it became a holder".

The SPEAKER pro tempore. Is a second demanded?

Mr. WAMPLER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. the Chair recognizes the gentleman from Texas (Mr. POAGE) for 20 minutes and the gentleman from Virginia (Mr. WAMPLER) for 20 minutes.

The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Speaker, H.R. 12526 would amend the Rural Electrification Act of 1936 in three respects. All deal with the guaranteed loan program of REA and are intended to assure the program's effective operation. They amplify and clarify the legislation passed last year by the Congress which created this program.

In section 1 of the bill it is proposed that the section of the Rural Electrification Act, as amended by Public Law 93–32, which relates to loans guaranteed by REA—section 306—be amended to provide exemption from Securities and Exchange Commission regulation for obligations of an REA-approved lending agency which are fully secured by such guaranteed loans. The amendment would provide the same exemption from SEC regulation in these circumstances as was recently provided by Congress in Public Law 93–86 for securities representing beneficial ownership in a pool of loans guaranteed by Farmers Home Administration under the Rural Development Act. SEC regulation appears equally unnecessary in both instances since the obligations or securities of the private entity in these circumstances are secured 100 percent by, or represent beneficial ownership in, Government guarantees for which the full faith and credit of the United States are pledged. The proposed amendment would also permit security for the obligations issued by the lending agency to consist of cash or securities exempted from the Securities Act of 1933, in addition to REA-guaranteed loans, in order to provide the flexibility needed for proper administration of the collateral trust indenture through which the obligations are expected to be secured.

It is further proposed that two additional changes be made in Public Law 93–32, each in the nature of a technical, clarifying amendment, in order to confirm the congressional intent, and erase doubts which have arisen, concerning assignability and incontestability of REA loan guarantees.

The first change would add language to section 306 which would expressly authorize the assignment or pledge of REA guarantees. Assignment or pledge of guarantees is necessary if prospective lenders are to be enabled to utilize guarantees to obtain funds at the lowest possible interest rates for the benefit of rural electric borrowers.

The absence from section 306 of express provision for assigning or pledging guarantees has caused doubts in the private money market whether any such assignment or pledge is indeed authorized. Should such doubts ultimately prevail in the financial community, it may prove impossible for lenders to borrow in the capital market at the favorable rates contemplated by the guarantee provisions of the law. The proposed amendment would furnish the assignability language required to erase these doubts. It would leave in the complete control of the REA Administrator the extent and incidents of permissible assignments. It should be noted that commitment of assignability authority to Government agency discretion, as here proposed, would be consistent with the handling of guarantee assignments in other Federal statutes, and with the principle underlying the General Assignment of Claims Act of 1940—31 U.S.C. 203—that restrictions on assignability of claims against the Government are imposed for the benefit of the Government and may therefore be waived by Government agencies.

The second technical amendment would clarify in an important respect section 308, which provides for REA guarantees to be supported by the full faith and credit of the United States. This section stipulates that the Government's full faith and credit obligation shall be "incontestable except for fraud or misrepresentation of which the holder has actual knowledge."

Questions have been raised whether this language might be construed to bar enforcement of an REA guarantee held by an assignee or pledgee who first learned of fraud or misrepresentation on the part of the original lender after the assignee or pledgee had acquired the guarantee in good faith. The proposed amendment merely makes clear the equitable rule that an assignee's vulnerability to such defenses arises only if the assignee had actual knowledge of the fraud or misrepresentation at the time it became a holder of the guarantee.

Mr. Speaker, these reasons, which I have outlined, are the basis for H.R. 12526. I would hope that the House would give them expeditious approval in order that this vital program might continue its course of progress in rural America without undue restriction.

Mr. Speaker, I know that this House intended that we should provide a guarantee system rather than direct loans from the Treasury.

These amendments, all of which are merely corrective of the original bill, do nothing more than provide the assurance that this guarantee can work. We give no freedom here which is not given to other lending agencies handling the same kind of paper.

We feel that it is simply a question of whether the Members want to make these Government guarantees work or whether the Members want to go back to the proposition of appropriating money.

Mr. Speaker, I would call attention to the fact that this has nothing in the world to do with the amount of outstanding paper, because that is limited by law to the amounts approved by the Committee on Appropriations from year to year, and we do nothing in any way to change that.

We in no wise increase the lending authority or the guarantee authority. We simply make the lending authority effective without imposing any additional burdens on the Government.

Mr. Speaker, we think it is a good bill, and I believe the bill should pass.

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

Mr. Speaker, I rise in support of H.R. 12526.

This bill contains several amendments to the Rural Electrification Act and is designed to improve the operation of the guaranteed loan program that the present law authorizes.

As Members of the House will recall, REA is authorized to make three kinds of loans. First, there are direct loans, whereby the Congress appropriates and REA lends moneys directly to eligible borrowers; second, there are insured loans, whereby REA lends money to eligible borrowers and then sells these notes in the open market to finance further lending; and third, there are guaranteed loans, whereby REA guarantees upon behalf of the U.S. Government the repayment of loans made by private lenders to eligible borrowers.

This bill deals only with the guaranteed loans. It does not change the direct loan or the insured loan programs which are expected to total some $618 million in fiscal years 1974 and 1975.

We understand that the guaranteed loan program for fiscal year 1974 is expected to reach a billion dollar level and to exceed $1.4 billion in fiscal year 1975.

H.R. 12526 then makes three changes

in the guaranteed loan program. These three changes are as follows:

First. It exempts the REA-guaranteed notes from Securities and Exchange Commission registration.

Second. It specifically authorizes the assignment of REA guarantees with the Administrator's approval.

Third. The "incontestability" provision in existing law is amended to clearly state that a guarantee shall not be held invalid on grounds of fraud or misrepresentation by prior holders if the present holder did not have actual knowledge of such irregularities when he acquired the securities.

Each of these changes, Mr. Speaker, is recommended in order to make the REA program function more efficiently and more effectively.

The committee did not hold public hearings on this bill because it was felt that these changes are relatively minor and conforming in nature.

Mr. Speaker, I urge the passage of H.R. 12526.

Mr. ZWACH. Will the gentleman yield?

Mr. WAMPLER. I yield to the distinguished gentleman from Minnesota.

Mr. ZWACH. I thank the gentleman for yielding.

I rise in full support of this legislation and associate myself with the gentleman's remarks and those of the gentleman from Texas (Mr. POAGE).

This legislation expedites and simplifies the loan program. In this day of the energy crisis it is important to expedite the programs that affect our energy supplies.

I thank the gentleman for yielding.

Mr. WAMPLER. I thank the gentleman for his contribution.

I yield 2 minutes to the distinguished gentleman from Iowa, (Mr. MAYNE).

Mr. MAYNE. Mr. Speaker, I thank the gentleman for yielding.

I rise in strong support of the amendments to the rural electrification guaranteed loan program. Certainly the guaranteed loan program is a vital part of the credit programs as established in the 1973 REA Act. I was an enthusiastic advocate of the 1973 REA Act, but I fully realized that changes would be necessary from time to time in such a complex law. H.R. 12526 represents a change I feel is needed.

This proposal before us today would provide for more convenient and efficient making of REA guaranteed loans by doing three things:

First. It would exempt from SEC registration the loans guaranteed by REA.

Second. It would permit assignability so that guaranteed loans could be transferred from one holder to another.

Third. It would clarify REA Act provisions making the Government guarantee incontestable except for fraud of which the holder has actual knowledge.

It is estimated that approximately $1 billion in loans will be guaranteed by the REA in fiscal year 1974. These loans are a necessity if we are going to keep energy production and distribution strong and growing in rural America. Because of the energy shortages now facing our country, the REA guaranteed loan program should take on a special priority.

I believe passage of H.R. 12526 is one way we can help the REA more effectively administer the 1973 REA Act.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Speaker, I would like to take just a couple of moments time to compliment the chairman of the committee, BOB POAGE, and the minority ranking member, WILEY MAYNE, for the leadership they supplied in putting together this piece of legislation—not only this one but the new REA Act which was enacted about a year ago by the Congress.

It is my understanding under the terms of this bill all you are doing is providing identical exemptions as those presently granted to the REA. You are putting the same kind of exemption in with the REA money that will be handled. That is only fair.

My main purpose in getting up today is to point out for many years those of us who have been working with the REA program have been looking forward to the day when we would have a financing plan, one which would be more fair to the taxpayer and at the same time give security to the REA program so that they would know where they could go to get funds for the continued growth of a great program. I believe this is another step forward and a good one. I hope that the House passes this bill.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. PRICE).

Mr. PRICE of Texas. Mr. Speaker, I thank the gentleman for yielding me this time, and I would briefly like to point out what this bill does.

As the chairman, the gentleman from Texas (Mr. POAGE) has already pointed out, first, this bill brings about the exemption from Securities and Exchange Commission regulation bonds or securities of legally organized lenders which are fully secured by, or which represent beneficial ownership in, loans guaranteed by REA.

Second, it adds statutory language which expressly authorizes the assignment of REA guarantees.

And, third, it clarifies the provision of section 308 which provides for incontestability of the Government guarantee "except for fraud or misrepresentation of which the holder has actual knowledge."

Mr. Speaker, I urge the passage of this bill.

Mr. WAMPLER. Mr. Speaker, I have no further requests for time.

Mr. POAGE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. POAGE) that the House suspend the rules and pass the bill H.R. 12526.

The question was taken.

Mr. SCHERLE. 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 386, nays 9, not voting 38, as follows:

[Roll No. 232]

YEAS—386

Abdnor	Delaney	Hunt
Abzug	Dellenback	Hutchinson
Adams	Dellums	Ichord
Addabbo	Denholm	Jarman
Alexander	Dennis	Johnson, Calif.
Anderson, Ill.	Dent	Johnson, Colo.
Andrews, N.C.	Derwinski	Jones, Ala.
Andrews, N. Dak.	Devine	Jones, N.C.
Annunzio	Dickinson	Jones, Tenn.
Archer	Dingell	Jordan
Arends	Donohue	Karth
Armstrong	Downing	Kastenmeier
Ashbrook	Drinan	Kazen
Ashley	Dulski	Kemp
Aspin	Duncan	Ketchum
Badillo	du Pont	King
Bafalis	Eckhardt	Koch
Baker	Edwards, Ala.	Kuykendall
Bauman	Edwards, Calif.	Kyros
Beard	Erlenborn	Lagomarsino
Bell	Esch	Landgrebe
Bennett	Eshleman	Landrum
Bergland	Evans, Colo.	Latta
Bevill	Evins, Tenn.	Leggett
Biaggi	Fascell	Lehman
Bingham	Findley	Lent
Blackburn	Fish	Long, La.
Boggs	Fisher	Long, Md.
Boland	Flood	Lott
Bolling	Flowers	Lujan
Bowen	Flynt	Luken
Brademas	Foley	McClory
Brasco	Ford	McCloskey
Bray	Forsythe	McCollister
Breaux	Fountain	McCormack
Breckinridge	Fraser	McDade
Brinkley	Frelinghuysen	McEwen
Brooks	Frenzel	McFall
Broomfield	Frey	McKay
Brotzman	Froehlich	McKinney
Brown, Calif.	Fulton	McSpadden
Brown, Mich.	Fuqua	Macdonald
Brown, Ohio	Gaydos	Madden
Broyhill, N.C.	Gettys	Madigan
Broyhill, Va.	Gibbons	Mahon
Buchanan	Gilman	Mallary
Burgener	Ginn	Mann
Burke, Calif.	Goldwater	Maraziti
Burke, Fla.	Gonzalez	Martin, Nebr.
Burke, Mass.	Goodling	Martin, N.C.
Burleson, Tex.	Gray	Mathias, Calif.
Burlison, Mo.	Green, Oreg.	Matsunaga
Burton	Griffiths	Mayne
Butler	Gross	Mazzoli
Byron	Grover	Meeds
Carney, Ohio	Gubser	Melcher
Carter	Gude	Metcalfe
Casey, Tex.	Gunter	Mezvinsky
Cederberg	Guyer	Michel
Chamberlain	Haley	Milford
Chappell	Hamilton	Miller
Chisholm	Hammer-schmidt	Mills
Clancy	Hanley	Minish
Clausen, Don H.	Hanna	Minshall, Ohio
Cleveland	Hanrahan	Mitchell, Md.
Cochran	Hansen, Wash.	Mitchell, N.Y.
Cohen	Harrington	Mizell
Collier	Harsha	Moakley
Collins, Ill.	Hastings	Montgomery
Collins, Tex.	Hawkins	Moorhead, Calif.
Conable	Hébert	Moorhead, Pa.
Conlan	Heckler, Mass.	Mosher
Conyers	Heinz	Murphy, Ill.
Corman	Henderson	Murphy, N.Y.
Cotter	Hicks	Murtha
Cronin	Hillis	Myers
Daniel, Dan	Hinshaw	Natcher
Daniel, Robert W., Jr.	Hogan	Nedzi
Daniels, Dominick V.	Holifield	Nelsen
Danielson	Holt	Nichols
Davis, Ga.	Holtzman	Obey
Davis, S.C.	Horton	O'Brien
Davis, Wis.	Hosmer	O'Hara
de la Garza	Howard	O'Neill
	Huber	Owens
	Hudnut	Parris
	Hungate	Passman

Patman	Sandman	Tiernan
Patten	Sarasin	Towell, Nev.
Pepper	Sarbanes	Traxler
Perkins	Satterfield	Treen
Pettis	Scherle	Udall
Peyser	Schneebeli	Ullman
Pickle	Schroeder	Van Deerlin
Pike	Sebelius	Vander Veen
Poage	Seiberling	Vanik
Podell	Shipley	Veysey
Powell, Ohio	Shoup	Vigorito
Preyer	Shriver	Waggonner
Price, Ill.	Shuster	Waldie
Price, Tex.	Sikes	Walsh
Pritchard	Sisk	Wampler
Quie	Skubitz	Ware
Quillen	Slack	Whalen
Railsback	Smith, Iowa	White
Randall	Smith, N.Y.	Whitehurst
Rangel	Snyder	Whitten
Rarick	Spence	Widnall
Rees	Stanton,	Wiggins
Regula	J. William	Wilson, Bob
Reuss	Stanton,	Wilson,
Rhodes	James V.	Charles H.,
Riegle	Stark	Calif.
Rinaldo	Steele	Wilson,
Roberts	Steelman	Charles, Tex.
Robinson, Va.	Steiger, Ariz.	Winn
Robison, N.Y.	Steiger, Wis.	Wolff
Rodino	Stephens	Wright
Roe	Stokes	Wylie
Rogers	Stratton	Wyman
Roncalio, Wyo.	Stuckey	Yates
Roncallo, N.Y.	Studds	Young, Alaska
Rose	Sullivan	Young, Fla.
Rosenthal	Symington	Young, Ga.
Rostenkowski	Symms	Young, Ill.
Roush	Talcott	Young, S.C.
Rousselot	Taylor, Mo.	Young, Tex.
Roy	Taylor, N.C.	Zablocki
Roybal	Thompson, N.J.	Zion
Ruppe	Thomson, Wis.	Zwach
Ruth	Thone	
St Germain	Thornton	

NAYS—9

Conte	Grasso	Ryan
Crane	Hechler, W. Va.	Staggers
Giaimo	Moss	Wydler

NOT VOTING—38

Anderson, Calif.	Dorn	Morgan
Barrett	Eilberg	Nix
Biester	Green, Pa.	Reid
Blatnik	Hansen, Idaho	Rooney, N.Y.
Camp	Hays	Rooney, Pa.
Carey, N.Y.	Helstoski	Runnels
Clark	Johnson, Pa.	Steed
Clawson, Del	Jones, Okla.	Stubblefield
Clay	Kluczynski	Teague
Coughlin	Litton	Vander Jagt
Culver	Mathis, Ga.	Williams
Diggs	Mink	Wyatt
	Mollohan	Yatron

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Eilberg with Mr. Anderson of California.
Mr. Rooney of New York with Mr. Culver.
Mr. Teague with Mr. Dorn.
Mr. Rooney of Pennsylvania with Mr. Jones of Oklahoma.
Mr. Nix with Mrs. Mink.
Mr. Hays with Mr. Mathis of Georgia.
Mr. Carey of New York with Mr. Camp.
Mr. Diggs with Mr. Blatnik.
Mr. Kluczynski with Mr. Biester.
Mr. Morgan with Mr. Johnson of Pennsylvania.
Mr. Barrett with Mr. Hansen of Idaho.
Mr. Yatron with Mr. Del Clawson.
Mr. Green of Pennsylvania with Mr. Runnels.
Mr. Clark with Mr. Vander Jagt.
Mr. Clay with Mr. Reid.
Mr. Helstoski with Mr. Stubblefield.
Mr. Steed with Mr. Coughlin.
Mr. Mollohan with Mr. Litton.
Mr. Wyatt with Mr. Williams.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. STAGGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13834) to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes, as amended.

The Clerk read as follows:

That this Act, including the following table of contents, may be cited as the "Standby Energy Emergency Authorities Act".

TABLE OF CONTENTS

TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

SEC. 101. FINDINGS AND PURPOSES.

(a) The Congress hereby determines that—

(1) current energy shortages have the potential to create severe economic dislocations and hardships;

(2) such shortages and dislocations could jeopardize the normal flow of interstate and foreign commerce;

(3) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to national security, economic well-being, and public health, safety, and welfare of the American people;

(4) because of the diversity of conditions, climate, and available fuel mix in different areas of the Nation, governmental responsibility for developing and enforcing energy emergency authorities lies not only with the Federal Government, but also with the States and with the local governments; and

(5) the protection and fostering of competition and the prevention of anticompetitive practices and effects are vital during periods of energy shortages.

(b) The purposes of this Act are to grant specific temporary standby authority to impose end-use rationing, subject to congressional review and right of approval or disapproval, and to authorize certain other specific temporary emergency actions to be taken, to assure that the essential needs of the United States for fuels will be met in a manner which, to the fullest extent practicable: (1) is consistent with existing national commitments to protect and improve the environment; (2) minimizes any adverse impact on employment; (3) provides for equitable treatment of all sectors of the economy; (4) maintains vital services (including delivery of mails by contract or otherwise) necessary to the public health, safety, and welfare; and (5) insures against anticompetitive practices and effects and preserves, enhances, and facilitates competition in the development, production, transportation, refining, distribution, and marketing of energy resources.

SEC. 102. DEFINITIONS.

For purposes of this Act:

(1) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(2) The term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (as defined in the Emergency Petroleum Allocation Act of 1973).

(3) The term "United States" when used in the geographical sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(4) The term "Administrator" means the Administrator of the Federal Energy Administration established by H.R. 11793, Ninety-third Congress (popularly known as the Federal Energy Administration Act of 1974) if H.R. 11793 is enacted; except that until such Administrator takes office, such term means any officer of the United States designated by the President.

SEC. 103. END-USE RATIONING.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h)(1) The President may promulgate a rule which shall be deemed a part of the regulation under subsection (a) and which shall provide, consistent with the attainment of the objectives of subsection (b) of this subsection, for the establishment of a program for the rationing and ordering of priorities among classes of end-users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights, and evidence of such rights, to end-users of such oils or products, entitling such end users to obtain such oils or products in precedence to other classes of end-users not similarly entitled.

"(2) The rule under paragraph (1) of this subsection shall take effect only if the President finds that, without such rule, all other practicable and authorized methods to limit energy demand will not achieve the objectives of subsection (b) of this section and the purposes of the Standby Energy Emergency Authorities Act.

"(3) The President shall, by order, in furtherance of the rule authorized pursuant to paragraph (1) of this subsection and consistent with the attainment of the objectives in subsection (b) of this section and the purposes of the Standby Energy Emergency Au-

thorities Act, cause such adjustments in the allocations made pursuant to the regulation under subsection (a) as may be necessary to carry out the purposes of this subsection.

"(4) The President shall provide for the use of local boards described in section 120(a) of the Standby Energy Emergency Authorities Act to be operated under procedures which the Administrator shall establish pursuant to section 116(c) of such Act (A) with authority to receive petitions from any end-user of crude oil, residual fuel oil, or any refined petroleum product, for which priorities and entitlements are established under paragraph (1) of this subsection and (B) with authority to order a reclassification or modification of any determination made under such paragraph with respect to such end-user's rationing priority or entitlement.

"(5) No rule or order under this subsection may impose any tax or user fee, or provide for a credit or deduction in computing any tax.

"(6) At such time as he finds that it is necessary to put a rule under paragraph (1) of this subsection into effect, the President shall transmit such rule to each House of Congress pursuant to the provisions of section 104 of the Standby Energy Emergency Authorities Act, and such rule shall take effect in the manner prescribed under such section 104.

"(7) A rule under paragraph (1) of this subsection shall provide, consistent with the objectives of subsection (b) of this section, assurances that adequate supplies of gasoline and diesel fuel are made available (A) for essential and purposeful mobility of persons in the armed services of the United States on military orders, (B) for household moves related to reemployment or displacement due to unemployment, and (C) for moves due to health reasons.".

SEC. 104. CONGRESSIONAL APPROVAL OR DISAPPROVAL.

(a) (1) For purposes of this section, the term "end-use rationing plan" means any rule providing for end-use rationing promulgated pursuant to section 4(h) of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) or any amendment to such a rule.

(2) The Administrator shall transmit any end-use rationing plan (bearing an identification number) to each House of Congress on the same date pursuant to section 4(h)(6) of the Emergency Petroleum Allocation Act of 1973.

(3) (A) Except as provided in subparagraph (B) of this paragraph, if an end-use rationing plan is transmitted to the House of Congress, such plan shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such plan is transmitted to such Houses, unless between the date of transmittal and the end of such 15-day period, either House passes a resolution stating in substance that such House does not favor such plan.

(B) An end-use rationing plan described in subparagraph (A) may take effect prior to the expiration of the 15-calendar-day period after the date on which such plan is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to the implementation of such plan.

(4) For the purpose of paragraph (3) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 15-calendar-day-day period.

(5) Under provisions contained in an end-use rationing plan, a provision of such a plan may take effect on a date later than the date on which such plan otherwise takes effect pursuant to the provisions of this section.

(b) (1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the implementation of end-use rationing plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank space being appropriately filled; but does not include a resolution which specifies more than one end-use rationing plan.

(B) A resolution the matter after the resolving clause of which is as follows "That the ——— does not favor the implementation of the end-use rationing plan numbered ——— transmitted to Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifics more than one end-use rationing plan.

(3) A resolution once introduced with respect to an end-use rationing plan shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives as the case may be.

(4) (A) If the committee to which a resolution with respect to an end-use rationing plan has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such end-use rationing plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same end-use rationing plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same end-use rationing plan.

(5) (A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution referred to in subparagraph (A) of this paragraph shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution described in paragraph (2) (A) of this subsection with respect to an end-use rationing plan for a resolution described in paragraph (2) (B) of this subsection with respect to the same such plan, or a resolution described in paragraph (2) (B) of this subsection with respect to an end-use rationing plan for a resolution described in paragraph (2) (A) of this subsection with respect to the same such plan.

(6) (A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an end-use rationing plan, then it shall not be in order to consider in that House any other resolution with respect to the same such plan.

(c) (1) Any end-use rationing plan which the Administrator transmits to the Congress pursuant to subsection (a) (2) of this section shall state the findings of fact on which the action is based, and shall contain a specific statement explaining the rationale for such plan.

(2) To the greatest extent practicable, any end-use rationing plan which the Administrator transmits to the Congress pursuant to subsection (a) (2) of this section shall also be accompanied by an evaluation prepared by the Administrator of the potential economic impacts, if any, of the proposed plan. Such evaluation shall include an analysis of the effect if any, of such plan on—

(A) the fiscal integrity of State and local government;

(B) vital industrial sectors of the economy;

(C) employment, by industrial and trade sector, as well as on a national, regional, State, and local basis;

(D) the economic vitality of regional, State, and local areas;

(E) the availability and price of consumer goods and services;

(F) the gross national product;

(G) competition in all sectors of industry;

(H) small business; and

(I) the supply and availability of energy resources for use as fuel or as feedstock for industry.

SEC. 105. FEDERAL ACTIONS TO INCREASE AVAILABLE DOMESTIC PETROLEUM SUPPLIES.

(a) The Administrator may, by rule or order, until midnight, June 30, 1975, direct the adjustment of processing operations of re-

fineries in the United States to produce petroleum products, petrochemical feedstocks, petrochemicals, and asphalt in proportions commensurate with national needs, consistent with the purposes of this Act, and consistent with the attainment of the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(b)(1) The Administrator may, by order, require the production of crude oil at the producer level at the maximum efficient rate of production.

(2) The Administrator shall consult with the Department of the Interior and with the States and agencies thereof in order to determine which persons should reasonably be required to produce crude oil at the rates specified in paragraph (1) of this subsection.

(3) For purposes of this subsection, the term "maximum efficient rate" with respect to any oilfield other than oilfields on Federal lands means the rate determined by the State or agency thereof in which such oilfield is located, and with respect to any oilfield on Federal land means the rate determined by the Department of the Interior.

(c) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve now subject to the provisions of chapter 641 of title 10, United States Code.

SEC. 106. OTHER AMENDMENTS TO THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) is further amended by adding at the end of such section the following new subsection:

"(i) If any provision of the regulation under subsection (a) provides that any allocation of residual fuel oil or refined petroleum products is to be based on use of such oil or products, or amounts of such oil or products supplied, during a historical period, the regulation shall contain provisions designed to assure that such historical period can be adjusted (or other adjustments in allocations can be made) in order to reflect regional disparities in use, population growth, or unusual factors influencing use (including unusual changes in climatic conditions), of such oil or products in such historical period. This subsection shall take effect 30 days after the date of enactment of this subsection. Adjustments for such purposes shall take effect no later than 6 months after the date of enactment of this subsection. Adjustments to reflect population growth shall be based upon the most current figures available from the United States Bureau of the Census."

(b) Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "February 28, 1975" in each case the term appears and inserting in each case "June 30, 1975".

(c) Section 4(b)(1)(G) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of—

"(i) fuels, and

"(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto;".

(d) The Administrator shall exercise any authority conferred on him under this Act and under any other Act to take steps designed to alleviate any shortages in petrochemical feedstocks, petrochemicals, and asphalt, and not later than 60 days after the date of the enactment of this Act, shall report to the Congress with respect to (1) any such shortages, (2) all steps taken to alleviate any such shortages, (3) any adverse impact on employment resulting from any such shortages, and (4) any legislative recommendations which he deems necessary to alleivate any such shortages.

SEC. 107. CONTROLS ON IMPORTED PETROLEUM PRICES.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is further amended by adding at the end of such section the following new subsection:

"(j)(1) As soon as practicable, but not later than 30 days after the date of enactment of this subsection, the President shall amend the regulation under subsection (a) of this section so as to specify (or prescribe a manner for determining) equitable ceiling prices for all sales in the United States of crude oil (or classifications thereof) imported into the United States.

"(2) For the purpose of this subsection, the term 'equitable ceiling price' means a price for crude oil imported into the United States, which is reasonable, taking into consideration the need to obtain sufficient supplies of crude oil and to permit the attainment of the objectives of subsection (b) of this section, balanced against the need to control inflation of basic and essential goods and services and hold down costs to industrial and individual consumers.

"(3)(A) Any regulation establishing an equitable ceiling price for purposes of this section for a sale in the United States of imported crude oil shall disallow any portion of the seller's price of such oil which is attributable to foreign taxes or royalties, or to prices paid to an affiliate, to the extent that the seller (directly or indirectly) received or will receive any dividends, rebate, or similar benefit, or any reduction in Federal tax liability as a result of payment of such tax, royalty, or price.

"(B) In the case of imported crude oil which is not sold in the United States before it is refined, the provisions of the regulation under subsection (a) of this section which specify (or prescribe a manner for determining) prices of residual fuel oil and refined petroleum products derived from such crude oil shall disallow a portion of the seller's cost of such residual fuel oil and refined petroleum products equal to the amount which would have been disallowed under subparagraph (A) had such crude oil been sold in the United States before it was refined.

"(4) For purposes of this subsection, the term 'affiliate' with respect to any seller means any person who controls, is controlled by, or is under common control with, such seller; and the term 'sale' includes exchange.

"(5) As soon as practicable, but not later than 30 days after the date of enactment of this subsection, and 30 days after any amendment to the regulation under subsection (a) of this section with respect to prices, the President shall transmit to Congress a statement setting forth the effect of such regulation, if any, on—

"(A) the supply and demand of crude oil, residual fuel oil, or refined petroleum products;

"(B) the economy as a whole, including the impact upon consumers, the Consumer Price Index, and the profitability of and employment in industry and business; and

"(C) competition within the petroleum industry and any significant problems of enforcement of such regulation.".

SEC. 108. PRICE ROLLBACK.

The Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new section:

"CEILING PRICES FOR PETROLEUM PRODUCTS PRODUCED OR REFINED IN THE UNITED STATES

"SEC. 8. (a)(1) As soon as practicable, but not later than 30 days after the date of enactment of this section, the President shall amend the regulation under section 4(a) of this Act so as to establish maximum prices with respect to each sale described in paragraph (3) by any person of crude oil, residual fuel oil, or any refined petroleum product. Subject to subsection (b), such maximum prices shall be set at a level no higher than the November 1, 1973, base price for such oil or product.

"(2) For purposes of this section, the November 1, 1973, base price for crude oil, residual fuel, oil, or a refined petroleum product is—

"(A) in the case of an oil or product of a classification for which a maximum price was prescribed for sales on November 1, 1973, under the Economic Stabilization Act of 1970, such maximum price, or

"(B) in the case of an oil or product of a classification for which such a maximum price was not prescribed, the highest price pertaining to substantial volumes of actual transactions by the seller of such oil or product during the 14-day period ending on November 1, 1973, for like or similar oils or products; or, if no transactions by such seller occurred during such period, then the highest price pertaining to substantial volumes of actual transactions charged by similar sellers for like or similar oils or products during such 14-day period.

Price increases announced after November 1, 1973, and made retroactive to November 1, 1973, or an earlier date, shall not be considered as having been in effect on or prior to such date for purposes of this subsection.

"(3) Subject to subsection (c), maximum prices required under paragraph (1) of this subsection shall apply to all sales in the United States of crude oil produced in the United States and all sales in the United States of residual fuel oil and refined petroleum products refined in the United States.

"(b) Subject to section 4(j)(3)(B) of this Act, prices required to be established under subsection (a) of this section shall provide for dollar-for-dollar increase or decreases from the November 1, 1973 base price for any seller to reflect net increases or decreases occurring after November 1, 1973, in such seller's costs; except that (notwithstanding section 4(b)(2) of this Act)—

"(1) to the extent consistent with the attainment of the objectives specified in section 4(b)(1) of this Act, the President shall amend such regulation so that relative prices of refined petroleum products reflect their historical relative price relationships; and

"(2) the President may amend such regulation so as to prevent any profit margins on any sales or exchanges of such oil and products which the President determines are excessive, taking into account historical profit margins and profit margins allowable for the 7-day period ending on November 1, 1973, under regulations under the Economic Stabilization Act of 1970.

"(c)(1) The regulation under section 4(a) shall not specify (or prescribe a manner of determining) prices applicable to the first sale of new crude oil produced from a property in the United States by a seller (A) who produced such crude oil and (B) who (together with all persons who control, are controlled by or are under common control with such seller) produced in the aggregate less than 18,400 barrels of crude oil and condensates per day (including production outside the United States) averaged during the base period.

"(2) The regulation under section 4(a) of this Act may be amended to include such requirements respecting reporting and in-

spections as the President deems necessary to carry out this subsection. Officers or employees of the United States designated by the President may make inspections provided for in such regulation.

"(3) For purposes of this subsection—

"(A) The term 'new crude oil' means the excess of—

"(i) the total number of barrels of crude oil produced in the United States and sold from a property in a particular month, over

"(ii) the base production control level for that property for that month (plus any new crude deficit adjustment (as defined in subparagraph (C)) which is applicable to the property for such month).

"(B) The term 'base production control level' for a particular month for a particular property means—

"(i) if crude oil was produced and sold from that property in every month of the base period, the total number of barrels of crude oil produced and sold from that property in the same month of the base period; or

"(ii) if crude petroleum was not produced and sold from that property in every month of the base period, the total number of barrels of crude oil produced and sold from that property in the base period divided by 12.

"(C) The new crude deficit adjustment applicable to a property for a particular month is the amount (if any) by which—

"(i) the sum of the base production control levels for all calendar months beginning after the date of enactment of this subsection and ending before such particular month, plus all amounts of new crude production for such months, exceeds

"(ii) the total number of barrels produced and sold from such property in all such months.

"(D) The term 'property' means the right which arises from a lease or from a fee interest to produce crude oil.

"(E) The term 'base period' means the 12-month period ending June 30, 1973.

"(F) A person produces crude oil only if he has an interest in the production thereof which permits him to take his production (or share thereof) in kind.

"(e) Insofar as practicable, the President shall amend the regulation under section 4(a) of this Act to insure that all persons engaging in sales of crude oil to refiners or of residual fuel oil or refined petroleum products in sales to any purchaser average the costs of its foreign and domestic crude oil, residual fuel oil, and refined petroleum products."

SEC. 109. PROTECTION OF FRANCHISED DEALERS.

(a) As used in this section:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution, of petroleum products to wholesale or retail outlets, whether or not it owns, leases, or in any way controls, such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name, owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled, by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product (as defined in the Emergency Petroleum Allocation Act of 1973) for purposes other than resale within any State, either under a franchise or independent of any franchise.

(5) The phrase "cancel, fail to renew, or otherwise terminate a franchise" includes an increase in the rent of the distributor or retailer under a franchise which makes continued operation under such franchise economically unfeasible for such distributor or retailer.

(b)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate, a franchise, unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than ninety days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, to fail to renew, or to otherwise terminate, such franchise, together with the reasons therefor, the date on which such cancellation, failure to renew, or termination, shall take effect, and a statement of all remedies available to such distributor or retailer under this section together with a summary of the applicable provisions of this section.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate, a franchise, unless the retailer or distributor whose franchise is canceled, not renewed, or otherwise terminated, (A)(i) failed to comply substantially with any essential and reasonable requirement of such franchise or (ii) failed to act in good faith in carrying out the terms of such franchise, or (B) unless such refiner or distributor withdraws entirely from the sale of petroleum products (other than crude oil) in commerce for sale other than resale in the United States.

(c)(1) If a refiner or distributor engages in conduct prohibited under subsection (b) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose petroleum products with respect to conduct prohibited under paragraph (1) or (2) of subsection (b) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose petroleum products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects of conduct prohibited under subsection (b) of this section which such court finds to exist, including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In the case of actions for a failure to renew, damages shall be limited to actual damages, including the value of the plaintiff's equity in the franchise.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

(d) The provisions of this section expire at midnight, June 30, 1975, but such expiration shall not affect any pending action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon a cancellation, failure to renew, or termination of a franchise committed prior to midnight, June 30, 1975, except that no suit under this section, which is based upon a cancellation, failure to renew, or termination of a franchise committed prior to midnight, June 30, 1975, shall be maintained unless commenced within three years after such cancellation, failure to renew, or termination of a franchise.

SEC. 110. PROHIBITIONS ON UNREASONABLE ACTIONS.

(a) Action taken under authority of this Act, the Emergency Petroleum Allocation Act of 1973, or other Federal law resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy, shall be equitable, shall not be arbitrary or capricious, and shall not unreasonably discriminate among classes of users. Such allocations shall contain provisions designed to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in commerce.

(b) To the maximum extent practicable, any restriction on the use of energy shall be designed to be carried out in such manner so as to be fair and to create a reasonable distribution of the burden of such restriction on all sectors of the economy, without imposing an unreasonably disproportionate share of such burden on any specific industry, business, or commercial enterprises, or on any individual segment thereof, and shall give due consideration to the needs of commercial, retail, and service establishments, whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours.

SEC. 111. REGULATED CARRIERS.

Within 45 days after the date of enactment of this Act, the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission, shall report separately to the appropriate committees of the Congress on the need for additional regulatory authority in order to conserve fuel during the period beginning on the date of enactment of this Act and ending on midnight, June 30, 1975, while continuing to provide for the public convenience and necessity. Each such report shall identify with specificity—

(1) the type of regulatory authority needed;

(2) the reasons why such authority is needed;

(3) the probable impact on fuel conservation of such authority;

(4) the probable effect on the public convenience and necessity of such authority; and

(5) the competitive impact, if any, of such authority.

Each such report shall further make recommendations with respect to changes in any existing fuel allocation programs which are deemed necessary to provide for the public convenience and necessity during such period.

SEC. 112. ANTITRUST PROVISIONS.

(a) Except as specifically provided in subsection (i), no provision of this Act shall be deemed to convey to any person subject to this Act any immunity from civil and criminal liability or to create defenses to actions, under the antitrust laws.

(b) As used in this section, the term "antitrust laws" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful re-

straints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c) (1) To achieve the purposes of this Act, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C. App. I), whether or not such Act or any of its provisions expires or terminates during the term of this Act or of such committees, and in all cases shall be chaired by a regular full-time Federal employee and shall include representatives of the public. The meetings of such committees shall be open to the public.

(2) A representative of the Federal Government shall be in attendance at all meetings of any advisory committee established pursuant to this section. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(3) A full and complete verbatim transcript shall be kept of all advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b) (1) and (b) (3) of title 5, United States Code.

(d) The Administrator, subject to the approval of the Attorney General and the Federal Trade Commission, shall promulgate, by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil or any refined petroleum product may develop and implement voluntary agreements and plans of action to carry out such agreements which the Administrator determines are necessary to accomplish the objectives stated in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(e) The standards and procedures under subsection (d) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

(1) Such agreements and plans of action shall be developed by meetings of committees, councils, or other groups which include representatives of the public, of interested segments of the petroleum industry and of industrial, municipal, and private consumers, and shall in all cases be chaired by a regular full-time Federal employee;

(2) Meetings held to develop a voluntary agreement or a plan of action under this subsection shall permit attendance by interested persons and shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission and to the public in the affected community;

(3) Interested persons shall be afforded an opportunity to present, in writing and orally, data, views, and arguments at such meetings;

(4) A full and complete verbatim transcript shall be kept of any meeting, conference, or communication held to develop, implent, or carry out a voluntary agreement or a plan of action under this subsection and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of sections 552 (b) (1) and (b) (3) of title 5, United States Code.

(f) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsections (c) (3) and (e) (4), provided such meetings, conferences, or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or plan of action authorized pursuant to this section. Such ministerial meeting, conference, or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference, or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

(g) (1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation, and carrying out of voluntary agreements and plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anti-competitive effects while achieving substantially the purposes of this Act. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any plan of action or voluntary agreement at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (i) of this section.

(2) Any voluntary agreement or plan of action entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented, where it shall be made available for public inspection and copying.

(h) (1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation, and carrying out of plans of action and voluntary agreements authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts, and other records related to the development, implementation, or carrying out of plans of action or voluntary agreement authorized pursuant to this Act.

(3) Persons developing, implementing, or carrying out plans of action or voluntary agreements authorized pursuant to this Act shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Federal Trade Commission and the Attorney General may each prescribe such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. They may both utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this Act.

(i) There shall be available as a defense to any civil or criminal action brought under the antitrust laws in respect of actions taken in good faith to develop and implement a voluntary agreement or plan of action to carry out a voluntary agreement by persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product that—

(1) such action was—

(A) authorized and approved purusant to this section, and

(B) undertaken and carried out solely to achieve the purposes of this section and in compliance with the terms and conditions of this section, and the rules promulgated hereunder; and

(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

(j) No provision of this Act shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred: (1) prior to the date of enactment of this Act, (2) outside the scope and purposes, or not in compliance with the terms and conditions, of this Act and this section, or (3) subsequent to midnight, June 30, 1975.

(k) Effective on the date of enactment of this Act, this section shall apply in lieu of section 6(c) of the Emergency Petroleum Allocation Act of 1973. All actions taken and any authority or immunity granted under such section 6(c) shall be hereafter taken or granted, as the case may be, pursuant to this section.

(l) The provisions of section 708 of the Defense Production Act of 1950, as amended, shall not apply to any action authorized to be taken under this Act or the Emergency Petroleum Allocation Act of 1973.

(m) The Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every six months, a report on the impact on competition and on small business of actions authorized by this section.

(n) The authority granted by this section (including any immunity under subsection (i)) shall terminate at midnight, June 30, 1975.

SEC. 113. EXPORTS.

(a) The Administrator is authorized, by rule or order, to restrict exports of coal, natural gas, petroleum products, petrochemical feedstocks, and petrochemicals, under such terms and conditions as he determines to be appropriate and necessary to carry out the purposes of this Act.

(b) In the administration of the restrictions under subsection (a) of this section, the Administrator may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of abnormal foreign demand" in section 3(2) (A) of such Act), impose such restrictions on exports of coal, natural gas, petroleum products, petrochemical feedstocks and petrochemicals, as the Administrator determines to be appropriate and necessary to carry out the purposes of this Act.

(c) Rules or orders of the Administrator under subsection (a) of this section, and actions by the Secretary of Commerce pursuant to subsection (b) of this section, shall take into account the historical trading relations of the United States with Canada and Mexico.

SEC. 114. EMPLOYMENT IMPACT AND UNEMPLOYMENT ASSISTANCE.

(a) The President shall take into consideration and shall minimize, to the fullest extent practicable, any adverse impact of actions taken pursuant to this Act upon employment. All agencies of Federal Governingment shall cooperate fully under their existing statutory authority to minimize any adverse impact upon employment.

(b) (1) The Secretary of Labor shall make grants, in accordance with regulations prescribed by him, to States to provide cash benefits to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources, and who is not eligible for unemployment assistance or who has exhausted his rights to such assistance (within the meaning of paragraph (4) (B) of this subsection).

(2) Regulations of the Secretary of Labor under paragraph (1) of this subsection may require that States enter into agreements as a condition of receiving a grant under this subsection, and such regulations—

(A) shall provide that—

(i) a benefit under this subsection shall be available to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources and who is not eligible for unemployment assistance or has exhausted his rights to such assistance (without regard to whether such unemployment commenced before or after the date of enactment of this Act);

(ii) a benefit provided to such an individual shall be available to such individual for any week of unemployment which begins after the date on which this Act is enacted and before July 1, 1975, in which such individual is unemployed;

(iii) the amount of a benefit with respect to a week of unemployment shall be equal to—

(I) in the case of an individual who has exhausted his eligibility for unemployment assistance, the amount of the weekly unemployment compensation payment for which he was most recently eligible; or

(II) in the case of any other individual, an amount which shall be set by the State in which the individual was last employed at a level which shall take into account the benefit levels provided by State law for persons covered by the State's unemployment compensation program, but which shall not be less than the minimum weekly amount, nor more than the maximum weekly amount, under the unemployment compensation law of the State; and

(B) may provide that individuals eligible for a benefit under this subsection have been employed for up to one month in the 52-week period preceding the filing of a claim for benefits under this subsection.

(3) Unemployment resulting from disruptions, dislocations, or shortages of energy supplies and resources shall be defined in regulations of the Secretary of Labor. Such regulations shall provide that such unemployment includes unemployment clearly attributable to such disruptions, dislocations or shortages, fuel allocations, fuel prices, consumer buying decisions influenced by such disruptions, dislocations, or shortages, and governmental action associated with such disruptions, dislocations or shortages. The determination as to whether an individual is unemployed as a result of such disruptions, dislocations, or shortages (within the meaning of such regulations) shall be made by the State in which the individual was last employed in accordance with such industry, business, or employer certification process or such other determination procedure (or combination thereof) as the Secretary of Labor shall, consistent with the purposes of paragraph (1) of this subsection, determine as most appropriate to minimize administrative costs, appeals, or other delay, in paying to individuals the cash allowances provided under this subsection.

(4) For purposes of this subsection—

(A) an individual shall be considered unemployed in any week if he is—

(i) not working,

(ii) able to work, and

(iii) available for work,

within the meaning of the State unemployment compensation law in effect in the State in which such individual was last employed, and provided that he would not be subject to disqualification under that law for such week, if he were eligible for benefits under such law;

(B) (i) the phrase "not eligible for unemployment assistance" means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada; and

(ii) the phrase "exhausted his rights to such assistance" means exhausted all rights to regular, additional, and extended compensation under all State unemployment compensation laws and chapter 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada.

(c) On or before the sixtieth day following the date of enactment of this Act, the President shall report to the Congress concerning the present and prospective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers and shall include legislative recommendations which the President deems appropriate to meet such needs, including revisions in the unemployment insurance laws.

SEC. 115. USE OF CARPOOLS

(a) The Secretary of Transportation shall encourage the creation and expansion of the use of carpools as a viable component of our nationwide transportation system. It is the intent of this section to maximize the level of carpool participation in the United States.

(b) The Secretary of Transportation is directed to establish within the Department of Transportation an "Office of Carpool Promotion" whose purpose and responsibilities shall include—

(1) responding to any and all requests for information and technical assistance on carpooling and carpooling systems from units of State and local governments and private groups and employees;

(2) promoting greater participation in carpooling through public information and the preparation of such materials for use by State and local governments;

(3) encouraging and promoting private organizations to organize and operate carpool systems for employees;

(4) promoting the cooperation and sharing of responsibilities between separate, yet proximately close, units of government in coordinating the operations of carpool systems; and

(5) promoting other such measures that the Secretary determines appropriate to achieve the goal of this section.

(c) The Secretary of Transportation shall encourage and promote the use of incentives such as special parking privileges, special roadway lanes, toll adjustments, and other incentives, as may be found beneficial and administratively feasible to the furtherance of carpool ridership, and consistent with the obligations of the State and local agencies which provide transportation services.

(d) The Secretary of Transportation shall allocate the funds appropriated pursuant to the authorization of subsection (f) according to the following distribution between the Federal and State or local units of government:

(1) The initial planning process—up to 100 percent Federal.

(2) The systems design process—up to 100 percent Federal.

(3) The initial startup and operation of a given system—60 percent Federal and 40 percent State or local with the Federal portion not to exceed 1 year.

(e) Within 12 months of the date of enactment of this Act, the Secretary of Transportation shall make a report to Congress of all his activities and expenditures pursuant to this section. Such report shall include any recommendations as to future legislation concerning carpooling.

(f) The sum of $5,000,000 is authorized to be appropriated for the conduct of programs designed to achieve the goals of this section, such authorization to remain available for 2 years.

(g) For purposes of this section, the terms "local governments" and "local units of government" include any metropolitan transportation organization designated as being responsible for carrying out section 134 of title 23, United States Code.

(h) As an example to the rest of our Nation's automobile users, the President shall take such action as is necessary to require all agencies of the Federal Government, where practical, to use economy model passenger motor vehicles.

(i) (1) The President shall take action to require that no Federal official or employee in the executive branch below the level of Cabinet officer be furnished a limousine for individual use. The provisions of this subsection shall not apply to limousines furnished for use by officers or employees of the Federal Bureau of Investigation, or to those persons whose assignments necessitate transportation by limousines because of diplomatic assignment by the Secretary of State.

(2) For purposes of this subsection, the term "limousine" means a type 6 vehicle as defined in the Interim Federal Specifications issued by the General Services Administration, December 1, 1973.

(3) (A) The President shall take action to insure the enforcement of section 638a of title 31, United States Code.

(B) No funds shall be expended under authority of this or any other Act for the purpose of furnishing a chauffeur in a vehicle operated in violation of section 638a of title 31, United States Code, or this Act.

SEC. 116. ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

(a) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order under this title or under section 4(h) of the Emergency Petroleum Allocation Act of 1973; except that this subsection shall not apply to any rule, regulation,

or order, issued under the Emergency Petroleum Allocation Act of 1973 (as amended by this title) other than section 4(h) thereof.

(2) Notice of all proposed substantive rules and orders of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of ten days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where the Administrator finds that strict compliance is found to cause serious harm or injury to the public health, safety, or welfare and such findings are set out in detail in such rule or order. In addition, public notice of all rules or orders promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall, to the maximum extent practicable, be achieved by publication of such rules or orders in a sufficient number of newspapers of statewide circulation calculated to receive widest notice practicable.

(3) In addition to the requirements of paragraph (2), unless the President determines that a rule or order described in paragraph (1) is not likely to have a substantial impact on the Nation's economy or upon a significant segment thereof, an opportunity for oral presentation of views, data, and argument, shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the issuance of such rule or order, but in all cases such opportunity shall be afforded no later than 45 days after the issuance of any such rule or order. A transcript shall be kept of any oral presentation.

(4) Any officer or agency authorized to issue rules, regulations, or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the purposes of this Act or the purposes of the Emergency Petroleum Allocation Act of 1973, as may be necessary to prevent special hardships, inequity, or an unfair distribution of burdens and shall, in rules or orders prescribed by such officer or agency, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from, such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by such officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. Such officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) (1) Judicial review of rules or regulations of general and national applicability under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the District of Columbia within thirty days from the date of promulgation of any such rule or regulation, and judicial review of rules or regulations of general, but less than national, applicability under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the appropriate circuit within thirty days from the date of promulgation of any such rule or regulation. For purposes of the preceding sentence, the term "appropriate circuit" means the circuit which contains the area or the greater part of the area within which the rule or regulation is to have effect.

(2) Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all other cases or controversies arising under this title, or under regulations or orders issued thereunder, except any actions taken to implement or enforce any rule or order by any officer of a State or political subdivision thereof or State or local board which has been delegated authority under section 120(a) of this Act, except that nothing in this subsection affects the power of any court of competent jurisdiction to consider, hear, and determine, in any proceeding before it, any issue raised by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any officer or agency under this title). If in any such proceeding an issue by way of defense is raised based on the constitutionality of this Act or the validity of agency action under this title, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(3) This subsection shall not apply to any rule, regulation, or order, issued under the Emergency Petroleum Allocation Act of 1973.

(4) The finding required by section 4(h)(2) of the Emergency Petroleum Allocation Act of 1973 shall not be judicially reviewable under this subsection or under any other provision of law.

(c) The Administrator shall, by rule, prescribe procedures for State or local boards which carry out functions under this Act or the Emergency Petroleum Allocation Act of 1973. Such procedures shall apply to such boards in lieu of subsection (a), and shall require that prior to taking any action, such boards shall take steps reasonably calculated to provide notice to persons who may be affected by such action, and shall afford an opportunity for presentation of views, data, and arguments (including oral presentation of views, data, and arguments, where practicable) at least 10 days before taking such action. Such boards shall be of balanced composition reflecting the makeup of the community as a whole.

(d) In addition to the requirements of section 552 of title 5, United States Code, any officer or agency authorized by this title or the Emergency Petroleum Allocation Act of 1973 to issue rules, regulations, or orders shall make available to the public all internal rules and guidelines which may form the basis, in whole or in part, for any rule, regulation, or order, with such modifications as are necessary to insure confidentiality protected under such section 552. Such officer or agency shall, upon written request of a petitioner filed after any grant or denial of a request for exception or exemption from rules, regulations, or orders, furnish the petitioner with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial. Such opinions shall be made available to the petitioner and the public within thirty days of such request and with such modifications as are necessary to insure confidentiality of information protected under such section 552.

SEC. 117. PROHIBITED ACTS.

It shall be unlawful for any person to violate any provision of title I of this Act (other than provisions of this Act which make amendments to the Emergency Petroleum Allocation Act of 1973) or to violate any rule, regulation, or order, issued pursuant to any such provision.

SEC. 118. ENFORCEMENT.

(a) Whoever violates any provision of section 117 of this Act shall be subject to a civil penalty of not more than $2,500 for each violation.

(b) Whoever willfully violates any provision of section 117 shall be subject to a criminal penalty of not more than $5,000 for each violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable rule, regulation, or order, issued pursuant to this Act. Any person who willfully violates this subsection, after having been subjected to a civil penalty for a prior violation of the same provision of any rule, regulation, or order, issued pursuant to this Act, shall be fined not more than $50,000 or imprisoned not more than six months, or both.

(d) Whenever it appears to any officer or agency authorized by the Administrator to exercise authority under this Act that any person has engaged, is engaged, or is about to engage, in acts or practices constituting a violation of section 117 of this Act, such officer or agency may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by section 117.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of section 117 of this Act may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

SEC. 119. SMALL BUSINESS INFORMATION.

In order to achieve the purposes of this Act—

(1) the Small Business Administration (A) shall, to the maximum extent possible, provide small business enterprises with full information concerning the provisions of the programs provided for in this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as a part of its annual report, provide to the Congress a summary of the actions taken under programs provided for in this Act which have particularly affected such enterprises;

(2) to the extent feasible, Federal and other governmental bodies shall seek the views of small business in connection with adopting rules, regulations, and orders, under the programs provided for in this Act and in administering such programs; and

(3) in administering the programs provided for in this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals, from small business enterprises.

SEC. 120. DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW

(a) The Administrator may delegate any of his functions under the Emergency Petroleum Allocation Act of 1973 or this Act to any officer or employee of the agency which he heads as he deems appropriate. The Administrator may delegate any of his functions relative to implementation and enforcement of the Emergency Petroleum Allocation Act of 1973 or this Act to officers of a State or political subdivision thereof or to State or local boards of balanced composition reflecting the makeup of the community as a whole. Such boards shall be designated and established in accordance with regulations which the Administration shall promulgate under this Act. Section 5(b) of the Emergency Petroleum Allocation Act of 1973 is repealed effective on the effective date of the transfer of functions under such Act to the Adminis-

trator pursuant to subsection (c) of this section.

(b) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation, rule, or order, issued pursuant to this Act, except insofar as such State law or State program is inconsistent with the provisions of this Act, or such a regulation, rule, or order.

(c) Effective on the date on which the Administrator of the Federal Energy Administration (established by H.R. 11793, 93d Congress) first takes office, all functions, powers, and duties of the President under the Emergency Petroleum Allocation Act of 1973 (as amended by this Act), and of any officer, department, agency, or State (or officer thereof) under Act (other than functions vested by section 6 of such Act in the Federal Trade Commission, the Attorney General, or the Antitrust Division of the Department of Justice), are transferred to the Administrator. All personnel, property, records, obligations, and commitments used primarily with respect to functions, powers, and duties, transferred under the preceding sentence shall be transferred to the Administrator.

SEC. 121. GRANTS TO STATES.

Any funds authorized to be appropriated under section 124(b) shall be available for the purpose of making grants to States to which the Administrator has delegated authority under section 120 of this Act. The Administrator shall make such grants upon such terms and conditions as he may prescribe by rule.

SEC. 122. INTRASTATE GAS.

Nothing in this Act shall change the authority of the Federal Power Commission with respect to sales of non-jurisdictional natural gas.

SEC. 123. EXPIRATION.

The authority under this title to prescribe any rule, regulation, or order, or take other action under this title, or to enforce any such rule, regulation, or order, shall expire at midnight, June 30, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any such action or proceeding based upon any act committed prior to midnight, June 30, 1975.

SEC. 124. AUTHORIZATIONS OF APPROPRIATIONS.

(a) There is authorized to be appropriated to the Administrator to carry out his functions under this Act and under the Emergency Petroleum Allocation Act of 1973, $150,000,000.

(b) For the purpose of making payments under grants to States under section 121, there is authorized to be appropriated $125,000,000.

(c) For the purpose of making payments under grants to States under section 114, there is authorized to be appropriated $500,000,000.

SEC. 125. SEVERABILITY.

If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 126. CONTINGENCY PLANS.

(a) In order to fully inform the Congress and the public with respect to the exercise of the authority under section 103 of this Act, the Administrator shall, to the maximum extent practicable, develop contingency plans in the nature of descriptive analyses of—

(1) the anticipated manner of implementation and operation of such authority;

(2) the anticipated benefits and impacts of such exercise;

(3) the role of State and local government;

(4) the procedures for appeal and review; and

(5) the Federal officers, employees, or agencies, which will administer such authority.

(b) Any contingency plan which describes the exercise of the authority under section 103 of this Act shall be transmitted to the Congress not later than the date on which any rule relating to such contingency plan is transmitted to the Congress pursuant to the provisions of such section.

TITLE II—STUDIES AND REPORTS

SEC. 201. AGENCY STUDIES.

The following studies shall be conducted, with reports on their results submitted to the Congress:

(1) Within 60 days after the date of enactment of this Act:

(A) The Administrator shall conduct a review of all rulings and regulations issued pursuant to the Economic Stabilization Act to determine if such rulings and regulations contributed to or are contributing to the shortage of fuels and of materials associated with the production of energy supplies.

(B) The President shall undertake a comprehensive survey of all Federal departments and agencies to identify and recommend to the Congress specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(C) All independent regulatory commissions, other than those agencies required to submit reports under section 111 of this Act, shall undertake a survey of all activities over which they have jurisdiction to identify and recommend to the Congress and to the President specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(D) The Secretary of the Treasury and the Director of the Cost of Living Council shall recommend to the Congress specific incentives to increase energy supply, reduce demand, to encourage private industry and individuals to subscribe to the purposes of this Act. This study shall also include an analysis of the price-elasticity of demand for gasoline.

(E) The Secretary of the Interior and the Secretary of Commerce are directed to prepare a comprehensive report of (1) United States exports of petroleum products and other energy sources, and (2) foreign investment in production of petroleum products and other energy sources to determine the consistency, or lack thereof, of the Nation's trade policy and foreign investment policy with domestic energy conservation efforts. Such report shall include recommendations for legislation.

(2) Within 6 months after the date of enactment of this Act:

(A) The Administrator shall develop and submit to the Congress a plan for providing incentives for the increased use of public transportation and Federal subsidies for maintained or reduced fares and additional expenses incurred because of increased service for the duration of the Act.

(B) The Administrator shall recommend to the Congress actions to be taken regarding the problem of the siting of energy producing facilities.

(C) The Administrator shall conduct a study and report to Congress with respect to the further development of the hydroelectric power resources of the Nation, including an assessment of present and proposed projects already authorized by Congress and the potential of other hydroelectric power resources, including tidal power and geothermal steam.

(D) The Administrator shall prepare and submit to Congress a plan for encouraging the conversion of coal to crude oil and other liquid and gaseous hydrocarbons.

(E) The Secretary of the Interior shall study and report to Congress with respect to methods for accelerating leases of energy resources on public lands, including oil and gas leasing, onshore and offshore, and geothermal energy leasing.

SEC. 202. REPORTS OF THE PRESIDENT TO CONGRESS.

The President shall report to the Congress every sixty days, beginning June 1, 1974, on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, together with an assessment of the results attained thereby. Each report shall include specific information, nationally and by region and State, concerning staffing and other administrative arrangements taken to carry out programs under these Acts and may include such recommendations as he deems necessary for amending or extending the authorities granted in this Act or in the Emergency Petroleum Allocation Act of 1973.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROYHILL of North Carolina. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from West Virginia for 20 minutes and the gentleman from North Carolina for 20 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the bill before the House today finds its beginnings in the effort to devise a legislative response to the energy emergency which confronted this Nation in the beginning months of this last winter. At that time a comprehensive package of emergency powers was readied by the Congress and—after great difficulty—sent to the President. Unfortunately, the President found a number of provisions unacceptable and vetoed the bill. A Senate effort to override the veto was unsuccessful.

Repeated attempts were made to find a compromise which could secure support of the President and a majority of the Congress. Fundamental policy differences with the administration, however, made a compromise solution seemingly impossible.

H.R. 13834 is significantly different from the Energy Emergency Act previously approved by the House. A number of its provisions have been contained in another bill, H.R. 14368, which has already secured House approval. Also a number of provisions have been deleted as no longer necessary. Much of the original bill, however, remains.

At the outset, let me acknowledge that this Nation no longer faces a crisis situation. The embargo by the Arab oil-pro-

ducing nations has ended. The winter has been survived. But let us remember that this Nation remains dependent upon petroleum imports for 17 percent of its energy requirements. The interruption of any significant percentage of these imports can and will create severe social and economic hardship for the country.

Embargoes once lifted can be reimposed. Moreover, so long as supply and demand is so delicately balanced, events of seemingly minor significance have the potential for causing shortages with dire economic consequences. There is, therefore, the need to equip the Executive with certain standby powers to respond to any developing emergency.

Also, we must recognize that, although the shortage situation is no longer of crisis proportions, our management of the problem has taken its toll on our economy, on our Nation's labor force, and on the competitive structure of the petroleum industry. Here, remedial action is called for.

Perhaps the most immediate problem which this legislation seeks to address, is the need to restore rationality to the pricing system for petroleum products. In passing the Emergency Petroleum Allocation Act of 1973, the Congress coupled price controls with the mandatory allocation authority on the notion that it does no good to require the allocation of products if sellers are then permitted to demand unfair and unrealistic prices. Accordingly, the President was called upon to specify equitable prices for crude oil, residual fuel oil, and refined petroleum products. In so doing, the President was directed to strike an equitable balance between the sometimes conflicting needs of providing sufficient inducement for the production of an adequate supply of products and of holding down spiraling consumer costs. The President has not carried out this congressional mandate.

Instead, he has chosen to rely on the so-called free market mechanism to set prices for approximately 30 percent of domestic crude oil production and to impose no controls on the prices paid for imported crude oil. As a result, industrial and individual consumers have not been afforded the protection that the Congress sought to provide.

In times of severe imbalance between supply and demand, traditional market forces cannot and do not work. As proof of this point, the unregulated price of new crude production in the United States rose to a price of $10.35 per barrel in January 1974; an astounding 204-percent increase over the price per barrel in January 1973. Surely producers costs have not gone up that dramatically. And I do not believe that anyone will seriously argue that it is necessary to increase the price of crude oil by over 200 percent per barrel in order to attract sufficient capital for new and expanded exploration and production.

The economy is already bending under the burden of price increases of this magnitude. The American consumer simply should not have to pay such exorbitant costs for energy. Accordingly, this bill calls for a rollback of crude oil prices to the levels prevailing on November 1, 1973. Under the formula old crude oil would be rolled back to an average price of $4.25 per barrel and new crude would be allowed to sell for an average of $6.17 per barrel. This should be compared with the average of $3.47 obtained in the market for both new and old crude only 1 year ago—an allowed increase of approximately 22 percent and 78 percent respectively. This is still considerable—but hopefully something the economy and the American consumer can manage. Moreover, the President is called upon to establish equitable ceiling prices for imported crude oil in order to bring a measure of sanity to the world market. Our country cannot afford to continue a policy of buying energy at any price.

As your constituent mail undoubtedly indicates, for the past 6 months, unemployment due to energy and fuel shortages has been high. In March of this year the Secretary of Labor reported to the Congress that over the winter months between 125,000 and 200,000 jobs were lost as a direct result of energy shortages. An additional 300,000 jobs were classified as lost through indirect results.

Accordingly, the committee has included provisions in this legislation to provide a measure of income protection for persons who have exhausted their regular unemployment compensation benefits and for uncovered workers who are unemployed due to energy related problems.

Also included in this legislation are provisions to provide protection for independent gasoline station owners and operators. Increasingly, major oil companies seem embarked on a program to increase their direct control of the retail market for gasoline and other refined petroleum products. Independent marketers of primary brands are finding that their franchise agreements are being renewed at terms much less to their advantage. In many cases franchises have been terminated or cancelled. Representatives of branded dealers believe that this represents an attempt by the major oil companies to force private businessmen out of the retail market. Also, some major oil companies seem to be pulling out of various sectors of the nation rather than compete with another who may be more firmly entrenched. As a consequence the retail market for gasoline is significantly less competitive today.

Finding that the Petroleum Allocation Act was insufficient to deal with this problem, the committee has included provisions in this legislation which would—for the duration of this act—effectively prevent further contraction of the retail distribution system for refined petroleum products. As such, the measure is designed as a holding action while more permanent solutions to the problem are considered.

As the floor debate on this bill will undoubtedly indicate, the remedial provisions of this legislation are extremely controversial. The committee continues to be committed to their accomplishment. I respectfully ask my colleagues in the House to join that effort and lend your support to this bill.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I object strenuously to the procedure under which this bill is being considered. This is a most complex, complicated piece of legislation.

Title I contains 26 sections; title II, 2 sections, for a total of 28 sections which are contained in this bill. Each one of these sections contains language which has a tremendous impact on the American economy.

Mr. Speaker, to bring this bill to the floor with no opportunity for amendment is a bad way to legislate. Here we are operating under a gag rule, and to consider this bill under these conditions means that we are preventing the House from properly dealing with this very important legislation.

What I am saying is that the House cannot work its will when amendments are not going to be permitted and amendments will not be allowed. I say that amendments are badly needed to this legislation because it is a bad bill.

Mr. Speaker, this bill has several defects. The first and perhaps most significant defect is the authority that is contained in this bill for a so-called price rollback of imported oil and imported petroleum products. I challenge anyone to say how one is going to set a ceiling on the prices that others in other countries are setting. This defies the imagination.

Mr. Speaker, the impact of the provisions in this section will mean that there will be a reduction in the supply and a reduction in the importation of petroleum products into the United States. It will destroy any incentive that currently exists to import petroleum products into the United States. It will force the foreign oil producers to seek other markets outside of the United States where price controls do not exist and a better price is possible.

Mr. Speaker, there are other defects in this bill. The second problem is section 114. This is the so-called unemployment compensation section. We all want to do something about unemployment and to help those who are unemployed, but this provision in this bill is totally unworkable from an administrative standpoint. This whole problem should be gone into in depth, with in-depth hearings by the proper legislative committee, and not be dealt with by just a few sentences and one short paragraph in this bill, with no opportunity for amendment.

Mr. Speaker, this unemployment assistance program that is in this section is unworkable from an administrative standpoint. Also, it is inequitable because it discriminates against individuals who are unemployed for reasons other than because of an energy shortage.

I also want to point out to those who

have spoken to me and others on the committee about rationing authority, that rationing authority is contained in this bill. This bill does have a section which gives the President the authority to impose rationing. More power is granted to the administrative branch, which has too much executive power now.

Mr. Speaker, there is another defect in this bill, and that is that it does not contain what is probably the most essential element that should be in a comprehensive energy bill, and that is provisions for energy conservation.

Mr. Speaker, the committee struck out all of the sections that would give us the necessary legislative authority to deal with this subject of energy conservation. Recently the House passed the Energy Supply and Environmental Coordination Act. What that bill did was: to require certain plants to use coal in lieu of oil, and it does much, of course, to encourage conservation of energy supplies.

But more is needed than just that authority.

The key to solving the energy problems in this country is to have a workable, commonsense program of energy conservation, and this bill does not address itself to that particular problem.

To vote against a gasoline price rollback is, perhaps, politically unpopular. I supported the bill that was vetoed by the President, which contained a similar gasoline pricing section. But I will point out that that section was written in a different year and a different time and under different circumstances than exist today. Furthermore, on close analysis, the pricing section contained in this bill is far worse, far more drastic than the section contained in the bill of last year. I believe that a fair, equitable ceiling price on refined petroleum products can be set that will leave ample incentives for renewed exploration of oil and the discovery of new oil reserves. I am convinced that the ceiling prices set by this bill will result in the closing of oil wells and not in the development of additional sources of energy.

To bring this bill up for a vote without the ability to amend it is wrong. Furthermore, an alternative is available to us this week in the bill from the Ways and Means Committee. Closing the loopholes in the law with respect to treatment of taxes and royalty payments and its effect on prices should be done in H.R. 14462, the Oil and Gas Energy Tax Act, and not in this bill with no assurance that it will work, and with some doubt that it might result in the shutting off of oil and refined petroleum products.

By the same token, changes in the unemployment compensation law should be considered in a comprehensive bill. The Ways and Means Committee has started hearings on the unemployment compensation system. It is wrong at this time to saddle the Department of Labor and our State agencies dealing with the program, with a new unemployment compensation program.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. ADAMS) a member of the committee.

Mr. ADAMS. Mr. Speaker, I first wish to compliment the chairman of the committee and the leadership of the House for bringing this bill before the House. This bill was supposedly blocked and put into the deep freeze because it contained the portions of the energy bill that really mean something to the American consumer.

The reason it is on the suspension calendar is because we debated this in the committee for days and days, we marked it up for weeks, and then we passed the bill; and that was the bill that was vetoed by the President. The committee went back and did the same thing again.

This House has passed on the provisions of this bill in great detail before. The reason that it is on the suspension calendar is because the Members of the House are familiar with it and the report outlines any changes that have been made.

Make no mistake about it, this is one of the most important votes we as Members will cast this year, particularly if during the course of this summer people go back to driving as they did before and if the lines at gasoline stations begin to start again and if the price of gasoline continues to rise. And then those who vote against this bill will have to go back to their constituents and say, "Well, on that particular day, the 21st of May, when I voted against a price rollback, I am not quite sure why I did it. I am not quite sure why I did not provide for a system where the President could bring a rationing plan to Congress and present it to them for implementation."

Mr. Speaker, this is a reasonable bill. This is the backbone of the energy bills that have been considered in this House, and it is the one that has attracted the most attention, as we have seen from the letters that have come to us as members of the committee from various consumer groups, from the people who have been standing in those lines, and from the people who are compelled to pay the inflated gasoline prices. These are the people who are going to be watching this House to see whether we are standing for their interests.

Now, let me say one flat thing concerning the equitable price amendment relative to foreign oil. I put that provision in as an amendment, and I am proud of it, as a member of the committee.

What is occurring in the United States at the present time, with regard to foreign oil, is that the prices are being raised by the oil cartel, which is basically the Arabs acting with and through the multinational corporations. The multinational corporations do not resist price increases in the form of Arab taxes (oil only costs about 12 cents per barrel to produce) because the companies can write off the increase. This is done by deducting the taxes in the Arab oil countries dollar for dollar against their U.S. income taxes.

Now, when they do that, stated simply, they are transferring the difference between the 23 cents a gallon they charged a year ago and the 52 cents a gallon which they are now charging from the pockets of the American consumers into the treasures of the Arab oil-producing companies. That is going to be very hard to explain to your people, if this bill does not pass under suspension of the rules.

The final reason we have the bill for consideration here is this: If the President is going to veto the bill, as certain Republican members of the committee stated, when my amendment was adopted, then we will need a two-thirds vote to override. Let us see today if this House has a two-thirds vote. If we do not have the necessary two-thirds, this bill is going to sit here.

The chairman of the committee has brought this bill out so all of us can explain to our constituents, as the price continues to go up and the consumption begins to increase this summer, that we have voted to control the oil companies. In my "dear colleague" letter I listed them company by company with the increase in prices and profits which each has enjoyed.

Any of you can go home to your constituents and explain the enormous profits these oil companies made on old oil that costs no more to produce and sell that program, my blessings on you, because you are a marvelous politician.

The final thing I want to state here is this is a reasonable bill. We had testimony from Mr. Simon and from the American Petroleum Institute who both testified the November 1 prices on old crude of $4.25 per barrel were sufficient to encourage exploration in the United States.

The SPEAKER. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. ADAMS. I thank the chairman for yielding the time to me.

So you do not have the excuse that the increasing prices are necessary for exploration.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. ADAMS. I yield to the gentleman.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I am a little surprised that the gentleman talks about his concern for the consumers on price increases. I am also surprised that the gentleman, who is opposed to giving the President more power, wants to vote for such substantial powers of gas rationing.

Aside from that, every time we have had gas rationing the price goes up. How does that protect the consumer?

Mr. ADAMS. The experience in the price going up under gas rationing is that it has not gone up when it is a controlled Government price. We have pegged the price and it will not go up any more than it will under the circumstances that are occurring now. In World War II it did not go up because of the program.

What we have before us today, in H.R. 13834, the Standby Energy Emergency Authorities Act is the companion bill to H.R. 14368 which was approved by the

House on May 21 by an overwhelming vote of 392 ayes to 4 nays.

Not only is the bill we are considering today a companion to the bill already passed by the House, it is the backbone of what was originally a single major bill intended to meet anticipated and unanticipated fuel shortages. I want to remind my colleagues that until we pass the bill before us today, we have not done our job of meeting the energy crisis and it is the American consumer who will suffer for our inaction. Standing alone, H.R. 14368 which we have already approved, will do little more than be described as an "energy bill" to take the heat off Congress when we are accused of ignoring both the energy crisis and the American consumer.

H.R. 13834 will seem very familiar to my colleagues and in fact, it is almost identical to the conference report to S. 2589, which the House already approved on February 27, by a vote of 258 ayes to 15 nays.

The bill before us contains two provisions vital to the protection of the American consumer and the U.S. economy as a whole. The first would require a price rollback to November 1, 1973, prices for all domestic crude oil with an exemption for oil produced by small producers of less than 18,400 barrels a day and from marginal stripper wells. The second provision, which I introduced, would require the establishment of "equitable ceiling prices" for imported foreign oil and would specifically disallow as a cost to be passed on to the consumer, costs of foreign operations—such as tax payments to the Arab countries—that are also used by the oil companies to reduce their U.S. income tax liability. This is to prevent the "double dip" where the oil companies agree to pay the Arab cartel increased taxes and royalty payments, pass this cost on in full to the American consumer, and then claim these tax payments as a dollar-for-dollar tax credit against their U.S. income tax.

Because of our present tax structure and cost passthrough pricing policy, the oil companies are actually encouraged to increase prices so that they can accrue tax benefits and additional profits. The problem has become so blatant that even the Federal Energy Administration has announced that new pricing regulations are required in order to protect the American consumer from paying "artificially high prices for products refined from foreign crude oil purchased by U.S. companies from their foreign trading affiliates." But the FEA is again doing too little, too late.

From January 1973 to January 1974, the average cost of foreign crude oil has increased to $12.58 a barrel, more than 4½ times the $2.77 a barrel cost 1 year earlier. Similarly, the average cost of controlled and uncontrolled oil during the same period, increased by almost 89 percent, from $3.40 to $6.31 per barrel. Closer to the consumer, the price of regular gasoline at the pump has jumped from a national average of 38.5 cents a gallon last August to almost 52 cents a gallon, an increase of 35 percent. Home heating fuel has risen from an average of 22 cents a gallon to nearly 33 cents a gallon, a 50-percent increase.

Worse still, the uncontrolled increases in petroleum prices—encouraged by tax benefits that reward price increases with special tax breaks—will cause wildfire inflation during the next year. Recent economic studies have indicated that the upward trend in oil prices will increase anticipated inflation by as much as 50 percent, because petroleum products are used not only for gasoline and home heating oil, but in a myriad of other basic manufactured and agricultural products.

One objection that is bound to be raised to this bill is that it will cause further energy shortages by restricting oil company profits that can be used for developing new energy sources. Such claims must be put in the perspective of existing oil company profit levels. During 1973, oil company profits for the eight largest companies averaged 46 percent over their profits a year earlier. However, first quarter 1974 profits make even 1973 profits look small, with reported profits for the same eight companies averaging 77 percent over first quarter 1973. Reports from the Joint Economic Committee as well as from oil industry sources, indicate that revenues are being generated at a rate far beyond investment needs, and that in fact practical shortages in related areas such as drilling rigs and tubular steel will prevent oil companies from reinvesting these exorbitant profits.

The price regulations in this bill that will set ceiling prices on foreign oil and roll back the price of domestic oil, will bring crude oil prices back to levels admitted by the Federal Energy Office and oil industry spokesmen, before the committee to be more than adequate to encourage increased exploration, research, and recovery. The bill further assures continued and expanded exploration and development of domestic crude sources in two ways. First, by granting an exemption from the rollback to "new" crude oil produced by small producers of less than 18,400 barrels a day—not to be confused with production per well—who have historically been responsible for the bulk of U.S. exploration and development. During 1972, producers who would be exempt from price controls under this bill, drilled 88 percent of the successful exploratory wells and 79 percent of the developmental wells in the United States. Second, by limiting the kinds of costs that can be passed on to the consumers, the bill removes some of the advantages of operating overseas that has led to our current overdependence on foreign oil. With price ceilings on foreign oil, the United States becomes as attractive for investment purposes as the Arab countries.

I must repeat again, only if we pass H.R. 13834 as a companion to the already approved H.R. 14368 will we have put together a worthwhile energy package that will help American consumers and prevent uncontrolled inflation. This is a consumer bill, and no amount of oil industry inspired rhetoric can obscure that fact. If my colleagues have any doubts let them ask their consumers whose No. 1 concern is inflation. The consumer simply will not and should not tolerate paying ever higher prices for the same product while the oil companies reap recordbreaking profits.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, today under the Suspension Calendar the House is considering H.R. 13834, the Standby Energy Authorities Act, the most recent legatee of President Nixon's request in November 1973, to grant him emergency powers to combat the energy shortage. The issues of major controversy will involve those provisions, first, directing the President to roll back the price of crude oil, second, directing him to establish price ceilings on imported crude oil, and third, establishing a special program of unemployment relief for those unemployed due to energy shortages.

This past February in conjunction with the conference report on the Emergency Energy Act, I outlined my major objections to the provision substantially similar to the present price rollback section, and the conceptual antecedent of the imported crude price ceiling provision. At that time in some detail I outlined the reasons why I had concluded that such proposals would fail to achieve their advertised purposes, and would as a result, serve only to disillusion the public as the promised benefits fail to materialize. As such I concluded that such provisions amounted to little more than political manipulation of the energy problem rather than fashioning effective long term solutions. I direct the attention of my colleagues to the arguments I set forth at that time which appear in the CONGRESSIONAL RECORD of February and which continue to be immediately applicable.

Today, however, I address myself to the third area of major controversy involving section 114, the "Employment Impact and Unemployment Assistance" provision of the Standby Energy Emergency Act, as reported by the Interstate and Foreign Commerce Committee. This provision, like those providing for artificial price levels, represents continued manipulation of the energy crisis insofar that it too would fail to achieve its stated purposes and would instead entail damaging consequences largely unforeseen, or unexplained, by its authors.

Among the major flaws I believe exist and will examine today are the following: First, conceived in the weeks immediately following the oil embargo, the provision is based on a dreaded level of unemployment that has not developed. Second, if enacted and signed into law its first consequence would be to provide immediate relief for individuals in one industry and one region of the Nation, while ignoring equally deserving nonenergy related unemployment caused by other commodity shortages and the pres-

ent business contraction. Third, it could set in motion a bureaucratic nightmare if there is a nationwide attempt on the part of unemployed individuals to tie their unemployment to the energy shortage. Fourth, it can be demonstrated, moreover, through the use of input-output analysis that nearly all unemployment could be linked to changes in demand caused by energy shortages, and as a result, the regulations and administration of the provision would tend to be highly iniquitous and arbitrary. Fifth, the immediate 14-month dollar cost of the program to the Federal Government would be astronomical by comparison to present expenditures and would represent a revolutionary departure in the concept of unemployment insurance compensation. Sixth, it might well entail as well a severe, long-term inflationary impact.

PROVISIONS AND COST

Section 114 would establish a special program of unemployment insurance compensation for individuals unemployed due to energy shortages. The Secretary of Labor would be authorized to make grants to the States for the purpose of providing cash benefits to any individuals whose "unemployment 'is' clearly attributable to such disruptions, dislocations, or shortages, fuel allocations, fuel pricing, 'and' consumer buying decisions influenced by such disruptions * * *". For this purpose under the Standby Energy Authorities Act, $500 million would be authorized.

The Office of Research and Actuarial Services of the Manpower Administration made the following cost estimates for existing unemployment insurance programs from April 1974 through June 1975:

Total State and Federal payments for unemployment insurance claims in the period April 1974–June 1975 will be approximately $7 billion for all programs. Of this total the Federal share will include approximately $400 million for its contribution to the extended benefits program, and $400 million for Federal civilian and former military unemployed. The remaining $6.2 billion will be met by State payments from trust funds.

The committee-approved provision would fundamentally alter the Federal-State relationship in the payment of unemployment claims and massively increase the Federal funding contribution. The Federal role in State payments is presently limited to the extended benefits program. Under the program, States "trigger on" if the insured unemployment rate exceeds 4 percent. At that point individuals collecting unemployment are eligible for an additional 13 weeks of benefits, the cost of which is divided 50/50 between the State and the Federal Government. Right now 13 States are triggered on. In reaction to the 1970 recession Congress temporarily provided an additional 13 weeks of federally supported benefits under separate trigger provisions.

The Standby Energy Act, however, represents a complete departure from this approach by assuring prerogatives heretofore reserved for the States, by changing the focus of benefits from temporary assistance to nearly permanent support and by requiring quantum leaps in payment levels. It does so primarily in the following ways:

First, eligibility requirements, now set by the States, would be altered to provide special benefit status to individuals unemployed due to energy shortages and repercussions; second, for this special population in the labor force previous work-time requirements, now set by States and generally 3 to 6 months, would be relaxed to 1 month in the past year; and third, for this population, duration of eligibility, now set by States and typically 26 weeks. would extend to July 1, 1975—14 months if enacted this June.

The Manpower Administration estimates that to adequately fund this program would entail an additional $4.2 billion in Federal expenditures. That would represent a 500 percent increase over the estimated Federal contribution for the same period under existing programs, and would represent a nearly 900 percent increase over what was spent in the last full fiscal year. The combined effect of increasing Federal involvement in the determination and payment of unemployment insurance claims, and at funding levels that are astronomical by comparison to those now in existence, represents a revolution in the concept of unemployment compensation.

I should mention that the Manpower Administration cost esimates were made earlier in the year and are based on what now appear to be high unemployment estimates—5.7 percent total unemployment and 3.8 percent insured unemployment. Though this inflates the absolute amounts in the cost estimates, the actuaries who made the estimates say that the relative magnitudes would remain about the same with lower unemployment rates.

PROGRAM JUSTIFICATION
UNEMPLOYMENT SEVERITY

The rationale for the provision is the following: The energy shortage, coinciding as it did with the peak of the business cycle, will significantly worsen the unemployment impact of the ensuing contraction and will require massive increases in Federal funding of State unemployment insurance programs to compensate adequately the ensuing unemployment.

The emerging unemployment data for the 1973–74 peak period compared to parallel periods of 1957, 1960, and 1970 seems to undermine that premise. The immediate increases in unemployment rates during the initial stages of business contractions since 1957 are shown on the following table:

UNEMPLOYMENT SEVERITY

Period	Unemployment rate (percent)	Absolute increase	Percent increase	Ensuing peak rate
1957 (III)	4.2	0.7	17	7.5
1957 (IV)	4.9			
1960 (II)	5.3	.4	8	7.1
1960 (III)	5.7			
1969 (IV)	3.6	.8	22	6.0
1970 (I)	4.4			
1973 (IV)	4.7	0.5	11	[1] 5.7
1974 (I)	5.2			

[1] Manpower Administration, 1973 estimate for period April 1974–June 1975.

The 11-percent increase in the rate of unemployment in the first quarter of 1974 over the fourth quarter of 1973, rather than suggesting an unusual upward departure from previous rates, shows a somewhat surprising decrease in magnitude from the 1970 level—up 22 percent—and the 1957 level—up 17 percent. It is much more in line with the more moderate 1960 level—up 8 percent.

Using these relative changes puts a slightly better than justified face on the argument because the percentage change is exaggerated in 1957 and 1969 due to the lower initial base rates. Nonetheless the absolute 0.5 increase in the unemployment rate in 1974 is still significantly in the lower order of magnitude compared to previous periods.

The Manpower Administration, moreover, has based its estimate for claims payments for existing programs on an estimated 5.7 percent unemployment rate for 1974. In contrast to this estimate are the peak levels to which unemployment rose 7 months into the 1957 and 1960 contraction, 7.5 percent, and 7.1 percent, and 8 months into the 1970 contraction, 6.0 percent.

It now appears, furthermore, that the 5.7 percent prediction may be high. The seasonally adjusted unemployment rate for April was 5 percent, a drop from the February level of 5.2 percent and just large enough to be considered statistically significant. It indicates strongly that the present contraction will not entail previously feared high unemployment levels, and does not require hyper-emergency increases in Federal unemployment insurance payments.

That is not to say that some extension of present benefits similar to that in 1971, or even an emergency program similar to the administration-Bennett bill may not be justified on the basis of these figures. First, the unemployment rate is up sharply and there is a reasonable chance that it will go up a little in the near future. The single most interesting facet of the employment-unemployment data released by the Labor Department last week is that total employment fell in April. This is an indication that would-be new and re-entrants into the job market are holding themselves out of the labor force because they presently hold the expectation that they cannot get a job. As these individuals, primarily women and teenagers, begin to look for jobs as income pressures build, and presumably as expectations improve, the unemployment rate will likely rise.

Second, the insured unemployment rate is also up sharply. The average insured unemployment rate for the last 6 months of 1973 was 2.7 percent. In contrast the average for the first 4 months of 1974 has been 3.2 percent with April at 3.3 percent.

This could probably justify an expansion of Federal expenditures for unemployment benefits. But it certainly cannot justify the levels proposed by the Standby Energy Act because again the premise of the act seems off base. The fact is that the increase insured unemployment has not been bloated by energy shortage repercussions.

Since 1970 the difference between the total unemployment rate and the insured unemployment rate has fluctuated between 1.8 and 2.2 percentage points. The average difference therefore, in 1974 has been on the outside of that range at 1.85 percentage points. Though this indicates a high level of insured unemployment relative to total unemployment, it is not only within the recent range, it also represents a lower level of insured unemployment than existed in 1971. Moreover, because the insured rate is much less volatile, as the total rate increases in the next few months the difference should fall even more within the range. In other words there is little reason to think that the present period of unemployment is extraordinarily different from previous periods, and therefore, requires an extraordinary Federal response.

ELIGIBILITY DETERMINATION INPUT-OUTPUT TABLE ANALYSIS

In the United States spending for automobiles is the most volatile component of durable goods consumption, and following the announcement of the Arab oil embargo last October, it was not surprising that automobile demand—particularly for higher priced models which are typically larger users of gasoline—fell precipitiously. Following 2 years of strong expansion, the drive for fuel economy led to a pronounced impact on Detroit. Personal consumption expenditures for automobiles plummeted $7.1 billion in the fourth quarter 1973, and continued to fall another $2.8 billion in the first quarter 1974. This 6-month, $9.8 billion drop in automobile purchases led to a more than proportionate drop in production, and with a lag, a significant rise in unemployment in automobile and related manufacturing primarily in Michigan, Indiana, and Wisconsin.

In the context of the unemployment assistance provisions of the Standby Energy Act, individuals in the automobile industry would no doubt qualify for benefits as unemployment "clearly attributable" to "consumer buying decisions influenced by" energy shortages. But what about the second, third and fourth order unemployment that would presumably result from such a drop in automobile production? Will the resulting drop in steel production, which in turn will require fewer chemicals, less iron ore, less coal and less limestone, result in energy related benefits for workers in those industries? What about those workers in the manufacture of upholstery fabrics and those who produce natural and synthetic fibers—will they be eligible for energy-related benefits as a result of the fall off in auto production?

Under the Standby Energy Act the Secretary of Labor must write regulations to cover such contingencies. At some point the regulations and those local claims personnel who administer them would be forced to determine whether unemployment in one industry or in one firm is "clearly attributable" to "consumer buying decisions influenced by" energy shortages while another is not.

The Bureau of Economic Analysis study of input-output relationships in the U.S. economy for 1967, published in the February 1974 Survey of Current Business, reveals in part how the thorough interdependence among U.S. industries would render such rulemaking extraordinarily iniquitous and arbitrary. The 1967 results are the most recent depictions of the interrelationships of the economy in terms of the 85 industry categories used for the 1947, 1958, and 1963 input-output studies.

These studies permit measurement of industrial repercussions of changes in demand. From input-output tables, the impact on interrelated industries of a change in consumer demand for the product of one industry can be demonstrated. For example, the $9.9 billion decline in automobile demand in the 6 months following October will entail a reduction in the output of its major supplier, iron and steel manufacturing, amounting to $1.8 billion. Orders for rubber products will fall $378 million, for chemicals $217 million and for fabrics, yarn and threads $182 million. Further down the production chain output required from stone and clay mining and quarrying will drop $17 million. The decline in automobile demand will even impact such seemingly unrelated sectors as livestock and agricultural production indirectly reducing output in these sectors by approximately $61 million.

The annual production demands of the $198-billion-a-year automobile industry directly and indirectly require output from each of the 85 industrial aggregates used in input-output analysis. For the policymaker charged with writing the unemployment regulations mandated by the Standby Energy Act this holds ominous implications. Without offsetting demand from another industrial sector, the sharp curtailment of automobile production alone will significantly reduce production in several dozen industries and thousands of firms which have nothing directly to do with automobiles—new construction, paper products, printing and publishing, finance and insurance to name a few. It would, thus, be nearly impossible to write regulations that would preclude payment of benefits to unemployed individuals in these industries.

On the basis of input-output analysis of the automobile industry alone, the employes of virtually every industry in the Nation would have to be considered eligible for benefits under the Standby Energy Act pending a finding of a claims examiner in individual cases. The burden would inexorably fall to the claims examiner to make sophisticated estimates of the extent to which an energy-related shift in demand for automobiles affects industries three, four, and more times removed from the initial shift. The examiner's task would obviously be further complicated by crosscutting, energy-related shifts in demand from other industrial sources.

What emerges from the Standby Energy Act's implicit requirement that unemployment in industry B must be compensated if caused by an energy-related falloff in demand for the product of industry A, is a deadly trap for the policymaker. A downward shift in demand for automobiles indirectly puts contractionary pressures on the output of practically every industry in the Nation. As a consequence, whatever unemployment results can also be shown to have a direct link to a change in consumer buying preferences for automobiles—in a phrase "clearly attributable" to such a change.

Obviously the intention of the authors of the provision was not that their provision be interpreted as "any linkage" but rather as a "major cause" of unemployment. But even this distinction is not very helpful. One can easily imagine a situation in which an energy-related pressure was one of many contributing to an individual's unemployment. It would then fall to someone to determine whether this individual would be employed absent this energy pressure. Hence, this pressure could be considered "major" even though it was not the only pressure but rather one of many that could be considered crucial. The mind literally boggles at the thought of where the policymaker writing the regulations would draw the line because by ignoring the thoroughly interrelated nature of the U.S. economy the Standby Energy Act gives him no worthwhile guidelines on which to make rational, equitable, and fiscally sound decisions.

COST IMPLICATIONS AND NATURE OF FURTHER INEQUITIES

The policymaker, if not the claims examiners, would also confront the following kinds of dilemmas. Long before the October oil embargo and rising gasoline prices, Detroit had noticed a shift in buyer preferences toward smaller cars. To a small but not negligible extent the retooling that is taking place right now from production of larger to smaller automobiles, reflects an acceleration of this change in preference that is not directly related to energy.

Very severe cost and equity problems arise in this situation which when magnified by similar circumstances in other industries, become monumental. If the cost of the unemployment assistance program is to remain within even the estimated boundaries, claims examiners would be required to make Solomon-like decisions about whether some individuals have not lost jobs due to changes in taste unrelated to energy. This approach might easiliy lead to exaggerating inequities woefully. To approach the problem casually, however, by loosely interpreting the regulations might just as easily rocket costs into orbit.

Consider one further kind of inequity that would arise from the fact that we are presently experiencing several non-energy related commodity shortages. Textile manufacturing in 1973 was hit

not only by a shortage of petrochemicals which in some cases limited the production of synthetic fiber goods, but it was also hit by a shortage of wool and cotton which in turn curtailed production of natural fiber products. It is easily conceivable that a worker in a textile mill who had worked for 3 months in the production of natural fiber products might find himself unemployed but ineligible for unemployment compensation. At the same time with the enactment of the Standby Energy Act it is just as conceivable that a similar worker with less attachment to the labor force but engaged in the production of synthetic fiber products might be laid off and receive benefits for a year or more.

As this example suggests, the inherent logic of the assumption that the source of the unemployment should be the central factor in determining eligibility for compensation undercuts the viability of the provision. On the basis of ongoing studies conducted by the Department of Labor it appears that the Standby Energy Act's focus on source-cause would channel benefits to workers in one industry in one region of the country, and would make little provision for high rates of unemployment in other industries and areas.

Beginning in December local unemployment insurance offices began asking those individuals filing claims whether they attributed their unemployment to the energy shortage. The astounding fact is that at no time since December has the nationwide figure risen above 9 percent. Moreover, 60 percent of those who consider their employment energy-related are in some way connected with automobile manufacturing and related industries primarily in Michigan, Wisconsin, and Indiana. Making the unlikely assumption that greater numbers of individuals would not attribute their unemployment to energy causes if they could get extra benefits, the current data suggests that Standby Energy Act benefits would flow almost exclusively to the East North Central region of the United States. Thus, should unemployment levels rise to levels experienced in 1957, 1960, and even 1970, those who would suffer outside this region would be largely excluded from benefits even though their unemployment might be equally severe and long lasting.

LABOR MARKET AND INFLATIONARY IMPACT

If it were only for the dubious justification of the unemployment assistance provision and the cost and equity problems that would arise with its implementation, it would have to be rejected. But in addition to these immediate imperfections, the provision would also create and abet pressures that would exacerbate labor market shortages and bottlenecks and in turn contribute to the economic anomaly of our time—simultaneous high rates of inflation and unemployment.

Since the late 1950's economists have demonstrated that as the U.S. economy nears the full employment range, inflation begins to build; that for each increment of increased employment a corresponding increase in the rate of inflation occurs due to demand pressures exerted on labor and product markets. More recently economists have noticed that for the U.S. economy that trade-off has worsened. Whereas, for example, in the 1950's a long-term unemployment rate of 4 percent could be expected to be accompanied by a 2.8 percent rate of inflation, today we could expect a rate of 4.5 percent—a 60-percent increase.

Moreover, since 1970 there have been very disturbing indications that in the shorter term the trade-off may have deteriorated further. In 1970 an annual unemployment rate of 5 percent was accompanied by an inflation rate of more than 5 percent. Right now prices are rising at the rate in excess of 10 percent on an annual basis while unemployment is at 5 percent.

A significant source of the worsening trade off is the seeming inability of the labor force to keep in phase with the changing skill requirements of an increasingly dynamic and technologically sophisticated economy. As a result, we are experiencing a widening mismatch between skills and job vacancies. The Labor Department, which maintains statistics on job vacancies and the duration of such vacancies, found that from February through December 1973, the number of vacancies that stayed vacant more than a month declined by 20 percent. As might be expected during a period of expansion and near full employment, the supply of jobs increasingly outpaced the number of workers available to fill them.

But for certain specific occupations the presence of shortages was clearly evident. In contrast to the 20-percent decline in the overall number of job vacancies of 1 month or more, there was a 240-percent increase in the number of unfilled vacancies for aeronautical engineering draftsmen, a 132-percent increase in vacancies for electrical engineering and electronic occupations, a 93-percent increase for mechanical engineers, a 76-percent increase for mechanical and civil engineers.

Furthermore, similar imbalances exist on a geographical basis. The same Labor Department data for the 1971 contraction shows that in the Gary, Ind. and Boston labor markets over 75 percent of all vacancies remained unfilled for more than 1 month.

The figure for Wichita, Kans., however, was only 8 percent, and for Houston only 19 percent. Thus, overlaid on the mismatch of job openings and worker skills, is a geographical imbalance resulting in extremely tight labor markets in some areas while others are wide open by comparison.

The effect of these shortages and bottlenecks is to increase inflationary pressures on wage rates. The above examples are, of course, only illustrative of the severity of shortages which have developed in the more skilled, technical and managerial occupations as the economy moves toward full employment.

Inevitably, the inflationary pressures that result from the bidding up of wages for these scarce workers, and for workers in tight job market geographical areas, spill over into the remainder of the economy resulting in inflationary overall wage and price levels.

It should be obvious that the effect of the unemployment assistance provision of the Standby Energy Act would be to aggravate this situation. The provision, for example, specifically states that an individual whose eligibility for unemployment insurance had been exhausted before the passage of the Standby Energy Act, would be eligible for the new benefits. In other words, right now in at least 13 States an individual might collect 26 weeks of regular benefits, 13 weeks of extended benefits, and assuming passage of the Energy Act in May, receive 60 additional weeks of energy-related benefits. That is just 5 weeks short of a full 2 years of benefits.

By holding out the possibility of nearly 2 years of job free benefits, the Standby Energy Act provides a substantial disincentive for workers to seek job retraining or to seek employment outside their immediate labor market. The provision would instead extend to nearly 2 years the period during which a worker would be encouraged to wait for his old job to reopen. As a result, the present mismatch of job openings and job seekers would tend to remain the same if not widen; the shortages and bottlenecks would also tend to remain the same if not worsen; and the upward pressure exerted on wage rates and prices would remain unabated with the inevitable consequence of increased aggregate inflation.

And certainly these pressures would remain long after unemployment assistance provision itself expired. It would do so primarily through redesign of the approach of the unemployment insurance system. The system was originally designed to serve as a countercyclical tool. The hope was that it would both provide a source of subsistence income for families whose breadwinner had been temporarily thrown out of work during an economic downswing, and at the same time cushion the decline in aggregate demand so that an irreversible spiral of depression would not be set in motion.

In the interim, this system has served well, perhaps best evidenced by the fact that we no longer experience the violent swings in the pace of economic activity which were so characteristic of late 19th and early 20th century market capitalist economies. To the extent that our unemployment insurance system was designed to help smooth out the peaks and troughs of the business cycle, it has been highly successful.

But in recent years we have attempted to graft onto this basic system additional functions and objectives which may not be entirely compatible with its original purposes. Specifically, by continually increasing the duration of benefits, so that with the emergency provision in 1971 workers in some States were able to receive up to 52 weeks of benefits. By all but doubling that extension with the Standby Energy Act we would have finally departed from the original countercyclical objective, in favor of long-term income subsidies to workers in depressed occupations, industries and areas. The result would be an enduring barrier to labor market flexibility.

CONCLUSION

Mr. Speaker, the conclusion that I draw, obviously, is that the "Employment Impact and Unemployment Assistance" section of the Standby Energy Emergency Authorities Act should be opposed vigorously. Were it only for this provision grounds for voting "nay" on the entire act would be legion. Combined with those other provisions mandating a crude oil price rollback and price ceiling on imported crude, those grounds are made even firmer. Moreover, what occasions my remarks today is also the fact that it is being brought up under suspension of the rules. As a result, what we face today is consideration of complicated legislation dealing with what is widely considered to be an "energy crisis" and which includes deceptively compelling unemployment provisions, with only forty minutes allocated for debate, and only half of that reserved for those who oppose the measure. I urge my colleagues to join with me in opposition to this very wrongheaded proposition.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Speaker, I yield 30 seconds to the gentleman from Illinois, in order to propound a question of the gentleman.

Mr. Speaker, the gentleman from Illinois has objected to the manner in which we bring this legislation up before the House today, but I would ask the gentleman from Illinois would the gentleman vote for a rule before the Committee on Rules on this bill?

Mr. ANDERSON of Illinois. Would I vote for a rule in the Committee on Rules to bring this bill out onto the floor, under an open rule, where there would be full debate and opportunity for amendments?

Mr. STAGGERS. That is correct.

Mr. ANDERSON of Illinois. I believe I would. I am confident that the Members of this House, if they were given that kind of an opportunity, would reject most if not all of the completely unwise provisions which it contains.

Mr. STAGGERS. We will proceed on that promise of the gentleman from Illinois.

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

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. ECKHARDT), a member of the committee.

Mr. ECKHARDT. Mr. Speaker, I shall make neither a naked nor a partisan nor an anti-oil appeal today. As a matter of fact, I take for my text the statement of Fred L. Hartley, president of the Union Oil Co. of California. He said:

> I believe that some type of price restraint on new crude oil is in order, but it must be reasoned and not dictated by emotion or the total structure of our energy-producing capability will collapse.

As everyone here knows, I voted against the rollback that came before us last time because I did not think it was reasoned. I had something to do in committee with putting the rollback that we now have before us into this bill because it is reasoned and because it does permit those who bring in 89 percent of the new wells to produce new oil at the price that the market will bear. The bill does not cover new oil produced by those producing under 18,400 barrels, and these are the ones that are discovering most of the new oil.

We must do something about the inflationary influence of the increase in oil prices.

I have before me a statement of the Department of Commerce with an analysis of the first quarter of 1974 in which it is stated that the gross national product has declined at an annual rate of 6.3 percent rather than 5.8 percent as reported last month. It says prices rose at an annual rate of 11.5 percent in the first quarter rather than 10.8 percent as initially reported.

Can we afford not to roll back the price of oil? We are talking about a 55-percent exacerbation of price increases caused by the increase of the price of oil. This is the only bill we have before us that addresses inflation directly. Let us do something about it now.

What does this mean? It means that approximately one-third of that 11.5 percent annual increase in the cost of living is caused by the increase in the price of crude oil. Can we afford to permit that to continue?

Mr. Speaker, I said at the beginning I was going to make a speech that was not partisan. I think I should like to point out now with respect to the nonpartisan nature of this appeal that on today, May 21, the National Consumers Advisory Committee to the Federal Energy Office voted overwhelmingly, 16 to 3, to endorse the rollback contained in the Standby Energy Emergency Authorities Act. That is not the AFL–CIO, although they also support the rollback. That is the Advisory Committee to the FEO. Certainly something must be done along these lines.

In addition to that, the Consumers Federation has endorsed the program, and I have yet to hear of a responsible organization which is opposed to it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the motion to suspend the rules and pass H.R. 13834, the Standby Energy Emergency Authorities Act, which by any other name would be just as bad.

This legislation contains many of the same objectionable provisions that were included in the bill the President vetoed 2 months ago, only then it was called the Energy Emergency Act, S. 2589. The Senate sustained the veto of S. 2589.

H.R. 13834 would provide for a rollback in the price of domestically produced crude oil, residual fuel oil, and refined petroleum products as did S. 2589, and the effect of this provision will be the same as it would have been 2 months ago—domestic production will decline thereby decreasing supply, and the long lines at the gas pumps will be back. If any of you believe that your constituents want to be in the same position they were at the beginning of this year, waiting in line for hours for 10 gallons of gasoline, then vote for this bill.

H.R. 13834 would provide the same unworkable program for unemployment relief as did S. 2589. The Federal Government would be given the impossible job of establishing regulations defining energy-related loss of work.

H.R. 13834 would provide Presidential authority to establish a program of gas rationing as did S. 2589. I have spoken out several times on the irrationality of gas rationing. What we have through the fuel allocation act is rationing at the wholesale level. Instead of giving additional power to the Federal bureaucracy to further distort the ability of free market forces to provide increased supplies to meet demand, we should be focusing our efforts on repealing the hastily enacted allocation act of last session. I have introduced legislation, H.R. 13021, to repeal the Emergency Petroleum Allocation Act.

The amazing contradiction in this bill is that it establishes such unworkable inequitable provisions, and will so effectively distort supply that it will almost certainly insure that gas rationing will have to be instituted.

This legislation, as did S. 2589, basically denies the ability of the free market to encourage the production and supply of our vitally needed energy products. The free market has proven it can work, and it will function more effectively if we get and keep the Federal Government out of the business of controlling the production and allocation of our energy supplies.

I urge my colleagues to vote against this motion to suspend the rules and pass H.R. 13834, with the hope that we will now see the last of these legislative proposals.

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

Mr. ROUSSELOT. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, on the same point that the gentleman questioned me about, the rationing authority that is contained in this bill is a rationing authority that is subject to a congressional veto and the resolution must be brought before this body. It is carefully tailored to maintain the integrity of the House and the other body, and I think that should be very clear both from the bill and from the debate.

Mr. ROUSSELOT. Regardless of how much veto power the Congress has, that does not improve what happens when we have Federal rationing. We had it in World War II and briefly at other times. Every time we do have rationing or other countries have tried rationing the price of the products and services goes up because they usually immediately go into short supply. Rationing always has increased the cost of a product. I do not care how much veto power we give the Congress, I do not think it will pro-

tect the consumer against price increases, but make it worse. The gentleman from Washington said he was mainly concerned about the consumer, but this bill does not show that concern.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, my colleagues of the House will recall that last year we considered under conditions which approached hysteria the emergency allocation proposal which has now become law. I told you then that to require the Administrator of the Federal Energy Office to prepare the rules and regulations by which he would administer that act and place them in effect in 15 days after that action became law would be totally impossible, and that when it was done under those conditions or any other conditions considering the circumstances as they existed then, two things would happen: we would disrupt supply and we would raise the price of that product to the consumer.

I challenge anybody beginning with the gentleman from West Virginia (Mr. STAGGERS) on down who supports this bill to tell me that was not the net result of that allocation proposal.

I see the gentleman from West Virginia (Mr. STAGGERS) shake his head. He does not accept the challenge, I suppose.

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I was not shaking my head at the gentleman but at something else, because I do not think the gentleman has made a true statement there.

Mr. ADAMS. Certainly I accept the challenge.

Mr. WAGGONNER. I will yield to whichever is the first one, but come on.

Mr. ECKHARDT. Mr. Speaker, if the gentleman will yield, all I have to say is this. Under the original bill there was a rollback——

Mr. WAGGONNER. I am not talking about the rollback of price bill. I am talking about the emergency allocation.

Mr. ECKHARDT. Mr. Speaker, under this bill there was 13 percent of the reduction——

Mr. WAGGONNER. I refuse to yield further, Mr. Speaker, because I am not getting an answer to my question.

Mr. ECKHARDT. The gentleman should not have offered the challenge then.

Mr. ADAMS. Mr. Speaker, will the gentleman yield to me?

Mr. WAGGONNER. I will try the gentleman from Washington.

Mr. ADAMS. The price of the product and the increase that has occurred in the last year has been directly attributable to the practices of the oil cartel abroad and the monopoly situation that exists here. The money is going into the profits of the oil companies and it is like a classic monopoly. Whenever supply is short one raises the price to make more on a limited supply.

Mr. WAGGONNER. The gentleman has admitted to what I wanted him to, that supply and demand works. When there is not sufficient supply to meet demand, the price does go up.

Mr. Speaker, this bill today is portrayed to be a bill which is going to do something to increase the availability of the supply. Mr. Speaker, this cannot be the case. It provides additional authority, yes, for the Administrator of what will become the Federal Energy Administration.

Let me show you what it is going to do and I want somebody to unscramble this egg for me. It provides that in the instance of price controls that the President would be called upon to establish equitable ceiling prices for all first sales or exchanges of imported crude oil which occur in the United States.

Now, suppose that oil is sold before it gets to the United States and it provides for a rollback of domestically produced oil and residual fuel oil and refined petroleum products.

Now, can anyone tell me that we can enact this bill without chaos by rolling the price of refined petroleum products back to November 1, 1973? It cannot conceivably be done. It creates, in addition to that, another workmen's compensation proposal. We cannot stand that, as Mr. Anderson and some others have had to say here earlier today. We are ignoring this.

We are ignoring the fact that with the emergency allocation provision last year of that legislation, we created the gas lines because we put the Government, who neither has the technical ability nor the marketing ability to allocate such products, the end product, to the consumer that the oil companies can, because they know how. We caused that allocation problem.

For the Federal Government to tell refiners that they cannot, no matter how much oil they have to refine, that they cannot operate at more than 76 percent of their capacity, does not make sense.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. WAGGONNER. Mr. Speaker, the situation is this. Are we going to destroy the opportunity to achieve self-sufficiency in energy? To couple this proposal today with a rollback of crude and refined products to last November 1, to enact the windfall profit proposal which has already been passed from the Committee on Ways and Means, then to amend that proposal and destroy depletion now is pure stupidity. We are acting out of hysteria without any concern for the substance of the matter.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, when I see the Standby Energy Emergency Authorities Act brought to this floor under the suspension process, I do not know whether to laugh or cry.

The use of the "gag rule"—limited debate and no amendments—for a bill of this significance would make even a strong man cry. The obvious intention of the Democratic majority to have the minority kill the bill which the majority does not like would make even a serious person chuckle.

It is bad enough to deal with insignificant bills under the "gag rule," but it is unconscionable to handle vital legislation with no amendments and limited debate. The process and the bill clearly demonstrate the inability of the committee to deal with this problem.

On January 3, last year, we in the minority fought to stop increased use of suspensions. In response, on page 21 of the RECORD, the distinguished majority leader told us that the approval of the minority leader was always sought. Was it received today?

On the same page he speaks of "always being fair" to allow Members to exercise their rights. The minority has no rights today. Neither does anybody else who does not agree with every line the committee has written.

I understand only the Democrat caucus can get an open rule. No wonder the Congress has earned the continuing scorn of the Ameircan public. Congress has repeatedly earned that scorn by actions like today's suspension.

It is worth noting that the committee has worked on the energy emergency since Thanksgiving. Fortunately, the crisis has waited around for the committee. But, in its legislative process, the committee has lost ground since Thanksgiving. It is now trying to cover that ground with a gag rule.

Mr. Speaker, I regret I have to accept the committee's challenge to vote against the bill. With a few amendments and a little debate, I would surely have voted otherwise. But, even though the majority is asking the minority to kill its unloved bill, the whole world will know who the real assassin was.

Mr. STAGGERS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Speaker, we have been told that the bill should be rejected because it has not been debated and because it would cost so much for unemployment compensation.

It has been debated at great length. It passed this House, as it passed the other body. It was vetoed. It is a milder bill in form now than it was at the time that it was vetoed. There are some facts that we want to look at in talking about this bill and inflation. Section 108 of the bill would roll back prices of domestically produced and refined petroleum products.

The rollback would result in an average price reduction of 2.3 cents per gallon in the cost of gasoline, which would save the consumer $6,200,000 a day, or $2.2 billion per year. More than $16 billion of excess profits are forecast for this industry in the Joint Economic Committee's report of March 8 of this year. Thus, at least one-eighth of the excess profits would be avoided by this legislation.

Mr. Speaker, I submit that at $6.2 mil-

lion a day, it would take just about 81 days to totally reimburse the public for the cost of the entire package of unemployment insurance in section 114.

We had the gentleman from Illinois (Mr. ANDERSON) say that this was a naked political appeal. Let me make it clear, it is a naked economic appeal. Do not believe that the people the Members represent are so lacking in sophistication that they do not know the economic facts of life.

I noticed in the San Francisco Bay area over the weekend that they are beginning to post the price of gasoline in the mid 30-cent range per half gallon to encourage people into the service stations, a posting which graphically and dramatically illustrates what has happened here, because the prices being posted were almost precisely the per gallon price of 1 year ago.

Mr. Speaker, there has been no demonstrated need for this kind of profit by this industry. I am incorporating in the RECORD at this point a table summarizing the reported profits of the petroleum industry for the first quarter of 1974:

LIBRARY OF CONGRESS, CONGRESSIONAL RESEARCH SERVICE

U.S. OIL INDUSTRY REVENUES AND PROFITS, 1ST QUARTER 1974

Company	Sales		Profits	
	1st quarter 1974 (millions)	Percent change from 1973	1st quarter 1974 (millions)	Percent change from 1973
American Petrofina	213.1	189.0	13.1	176.0
Standard Oil of Ohio	482.9	27.2	22.6	29.1
Gulf	4,516.0	114.7	290.0	76.0
Standard Oil of Indiana	2,278.4	55.0	219.0	81.0
Ashland	672.6	53.2	19.4	22.0
Commonwealth Oil	298.5	227.6	15.6	457.0
Exxon	9,945.0	59.4	705.0	39.0
Occidental	1,334.9	95.9	67.8	717.6
Skelly	214.4	39.7	19.7	97.5
Texaco	4,924.0	97.4	589.4	123.2
Amerada Hess	983.2	142.6	49.9	34.9
Continental	1,600.0	71.8	109.2	129.9
Crown Central	76.9	81.2	4.8	1,497.0
Getty	655.3	63.8	73.6	173.0
Murphy	200.9	86.2	27.4	257.1
Marathon	755.7	84.1	30.6	52.5
Shell	1,893.5	47.0	121.8	51.9
Standard Oil of California	3,905.1	110.4	292.9	91.7
Mobil	4,400.0	57.0	258.6	66.0
Union Oil of California	987.1	55.5	73.0	91.0
Atlantic Richfield	1,559.8	56.4	93.9	86.8
Cities Service	703.2	33.6	68.8	87.0
Clark Oil	158.5	89.0	13.3	175.0
Phillips	1,148.3	68.7	108.6	150.0

Source: Wall Street Journal Digest of Earnings Reports.

At the present time, I have the SEC examining the reporting of profits for the first quarter. Exxon reported roughly $600 million after it had employed the unusual device of creating contingent reserves, of the most extraordinary and unique character, of over $400 million. I think this is a highly irregular practice, and I want to know how many of the other producers of petroleum are resorting to the same type of statistical gymnastics in their reporting of profits. I think the true reporting would be so outrageously high that it would have the public demand in the strongest of terms some responsible action by this Congress.

Mr. Speaker, to those who cry against this procedure, for bringing this bill before the House, let me point out that it is a lawful procedure provided for under the rules of this House. Those who protest have frequently resorted to the employment of the same method.

Mr. STAGGERS. Mr. Speaker, I say we speak with a clear voice today to the American people as to whether we here are in attendance to their needs, their wants, and what they think is real in this land.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. Mr. Speaker, I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, section 201(E) on the last page of the bill, page 154 states:

The Secretary of the Interior shall study and report to Congress with respect to methods of accelerating leases of energy resources on public lands, including oil and gas leasing onshore and offshore, and geothermal energy leasing.

Even though this language only confers authority for a study, I am disturbed with the emphasis on "accelerating" with respect to coal leases on public lands. Last week I made a trip to Wyoming and Montana where huge strippable reserves of coal on public lands are being eagerly eyed by coal, utility, oil, and other energy companies. There is tremendous pressure by these producers to accelerate the opening up of coal leases on public lands.

On Sunday, May 19, the Council on Priorities released a report which concluded that the Department of the Interior has irresponsibly allowed industrial corporations to assume management of some 20 billion tons of coal beneath 939,000 acres of public and Indian lands.

I hope this study does not mean we are going to turn over the public lands to such companies as Peabody and Consolidation Coal.

Mr. STAGGERS. It will not.

Mr. HECHLER of West Virginia. I hope the report will protect the public interest. I want this debate to reflect the intent of Congress that there must not be a great giveaway of public lands to private interests, in the name of acceleration—which is the very unfortunate noun used in defining the study to be made by the Department of the Interior. To reflect the great concern which all citizens must feel about protection of our public lands against exploitation, there follow three articles from the Washington Post, Denver Post, and New York Times:

[From the Washington Post, May 20, 1974]

FEDERAL COAL-LEASING POLICIES FAULTED

(By Tim O'Brien)

A private study group charged yesterday that federal coal-leasing policies have encouraged corporate speculators to keep thousands of acres of coal-bearing lands unproductive "until industry decides its profits will justify development."

In a report released by the nonprofit Council on Economic Priorities, it was disclosed that 70 per cent of the leases in seven Western states are controlled by 15 corporations, including five oil companies.

The large corporate leaseholders, the report said, "speculate the most," holding public coal unmined until prices go up. Only 11 per cent of the 474 leases examined by the study group were under active production, and 321 leases have never produced a single ton of coal."

The largest lease-holders speculate the most. While 89 per cent of all leases are inactive, 93 per cent of the leases held by the top 15 are not producing coal," the council said. " . . . Five of those major lease-holders—El Paso Natural Gas, Westmoreland Resources, Shell Oil Co., Sun Oil and Richard Bass—have never produced a ton of coal from their leases."

The Council of Economic Priorities, which is supported by foundation grants and income on its publications, said a "gaping loophole in the law" allows leases to avoid actual coal production.

The loophole, the study said, allows the Interior Department to waive the production requirement in favor of the lease-holder's paying a year of advance rent. "But since the rents are so low," said James Cannon, author of the report, "this really puts no burden on the company and is not an incentive to actually dig coal."

The report said the Interior Department "has not planned or even considered the environmental, social, cultural or economic effects of its leasing practices."

Criticizing Interior's long-range planning the study said public lease terms are adjusted every 20 years and only then can royalty rate increase or environmental safeguards be inserted as conditions of leasing. "Even after these long adjustment intervals, Interior has failed to consistently raise royalty rates to meet current standards, and it has neglected to insert an important environmental safeguard clause in 58 of the 85 leases which have come up for adjustment," the study said.

Moreover, the council's report said Interior has never canceled a coal lease "because of violations of lease terms and "the costs of that failure have been transferred to the future."

The study examined 463 federal and 11 Indian-land coal leases in New Mexico, Arizona, North Dakota, Wyoming, Utah, Colorado, and Montana. The two laws controlling lease policy on these lands—the Mineral Leasing Act of 1920 and the Omnibus Tribal Leasing Act of 1938—do not require resource-use or land-use planning nor have the "strength to compel Interior to implement their directives for orderly development . . . at a fair market value," the report concluded.

"No pretense may be made that the public has ever received fair market value for its coal." the study said. "Every lease has been issued at industry's request rather than as a result of Interior determination that there was a market demand for coal . . . 247 of the 474 leases have been issued by the department at competitive lease sales, but 171 of those were granted without competition since one or no bidders appeared.

"The average winning bid at these 171 lease sales was only $2.87 an acre. Another 210 leases were granted by the preference-right method, which returns no revenue to the lessor besides the $10 filing charge.

"Lease-holders have paid a total of only $3.5 million in rent for public land leases and $2.2 million in rent for Indian land leases. Royalty rates on public coal have also been low," the report said.

[From the Denver Post, May 19, 1974]

REPORT HITS COAL-DEPOSIT POLICIES

(By Dick Prouty)

The U.S. Department of Interior has irresponsibly allowed industry to assume management of about 20 billion tons of coal beneath 939,000 acres of public and Indian lands in the West, a New York-based public-interest research group has reported.

In a devastatingly critical report, the Council on Economic Priorities (CEP) said

Interior's performance threatens to hobble instead of promote orderly solutions to the nation's energy needs.

The study focuses on coal already leased in Colorado, Wyoming, Montana, New Mexico, Arizona, Utah and North Dakota, more than half of which is expected to be strip mined.

Among its findings:

—Fifteen large corporations control 70 per cent of the recoverable coal on public and Indian lands in the West.

—Only 52 leases of 474 examined are producing coal at a time when industry is pressuring Interior to lease more coal deposits and issue more prospecting permits.

—In 54 years the leases have produced only 242 million tons of coal—less than 1 per cent of national production.

—Interior's practice has been to lease coal at less than its value and to allow industry to hold it for speculation.

The report doesn't challenge the legality on Interior's actions, but it does insist Interior has failed to use the powers it has to obtain a fair return to the public on the coal, and to assure reclamation of disturbed lands.

"No pretense may be made that the public has ever received fair market value for its coal," the report said. "Interior has leased coal rights far ahead of market demand for coal at prices too low to profit the public.

"Despite diligent production clauses in the leases, the department has allowed corporations to hold public coal unmined until coal reaches (a higher price)."

The council's study, which includes acre-by-acre, lease-by-lease, ton-by-ton, dollar-by-dollar tabulations mostly drawn from Interior and congressional General Accounting Office records, said income from the leases is so low it "probably hasn't even covered bookkeeping costs."

Five major lease holders—El Paso Natural Gas Co. with 67,298 acres under lease; Shell Oil Co. with 30,247 acres; Sun Oil Co. with 21,240 acres; Westmoreland Resources Inc. (a consortium), with 30,876 acres and a Richard Bass, with 20,700 acres—have yet to mine any of the coal they have leased.

The report notes that while Interior imposed a moratorium on new coal leases in 1971, utilities, energy companies and railroads have been pressuring the agency to lease more coal and open up more federal lands for coal prospecting, although only 11 per cent of the lands now leased are being mined. Interior recently annouced a plan to lease additional coal deposits.

CEP also found Indians get a better deal, financially, on their coal leases than the general public. Still, Interior practices on both Indian and public-land coal leases has shortchanged the owners on the true value of the resources.

Indians have average coal production royalties of 15.8 cents a ton, compared to 12.5 cents a ton on production from lands managed by the Bureau of Land Management (BLM), an Interior agency.

As a result, two Indian tribes are suing Interior to revoke existing leases, and environmental organizations have filed and are preparing to file other litigation on specific portions of Interior's coal leasing program.

ROYALTY RATES

While royalty rates have risen 75 per cent in recent months, the price of a ton of coal has more than doubled, CEP found.

The 48-page study said one effect of the coal-leasing mismanagement has been to allow corporations to play dominant roles in the energy market by acquisition of vast holdings of coal, petroleum and uranium reserves on the public lands.

"This consolidation of resources . . . has occurred not because of any deliberate policy on the part of the Department of Interior, but in the absence of any policy at all," CEP concluded.

"Industry has been left free to plan and lease energy resources at will," the study found.

Part of the problem has been a bureaucratic tangle between the Bureau of Indian Affairs, which handles leases on Indian reservations, BLM and the U.S. Geological Survey which shares technical and administrative functions with the BLM.

The BLM, which is in charge of enforcement of lease provisions, is handicapped from correcting violations and enforcement by weak laws and intra-departmental inefficiency, the report found.

The coal leases are drawn under the 1920 Mineral Leasing Act, an appendage to the 1872 Mining Law. As in the case with oil shale, a bonus bid system is used on a "competitive" basis. CEP found industry initiated most "competitive" lease sales and often only one bidder obtained the coal development rights.

"The Department of Interior has abdicated all responsibility for land-use planning to corporate interests and has mismanaged the competitive leasing program so badly it makes a mockery of the word competitive."

The study found that public coal leases "never expire" and Interior has never revoked a lease, even when its terms have been violated.

"The Department of Interior has failed to use the power it has to control the program. The costs of that failure have been transferred to the future," the CEP asserted.

CEP also compiled data on reclamation of strip-mined lands in the West. Of the 6,515 acres mined so far, about half has been reclaimed, although some authorities question the effort on 1,618 acres in the southwest.

The National Academy of Sciences, in a report published earlier this year, said it will take centuries for some desert areas to be restored, CEP reported.

The report reflects a documented skepticism about putting strip-mined lands back into useful production, although they may have been "reclaimed."

The extent of public and Indian coal development cited by the CEP report includes:

Potential sites for 42 power plants on the Northern Great Plains, which would give that region more power-production capacity than any nation in the world except the Soviet Union.

Within 11 years, seven coal-gasification plants are expected to be operating, and that number could double by the end of the century.

The Northern Cheyenne Indians have leased 52 per cent of their reservations, some 243,000 acres. Consolidation Coal Co., a subsidiary of Continental Oil Co., and Peabody Coal Co. plan at least six coal-gasification plants which would require about 45 million tons of coal annually.

The Crow Indians have authorized Shell Oil, American Metals Climax and Westmoreland Resources, Inc., to dig hundreds of millions of tons of coal from under 75,358 acres.

The Navajo and Hopi tribes of Arizona and New Mexico have optioned their coal treasures to feed seven gasification plants and several coal-fired power plants which will consume coal from under 100 square miles of desert by the year 2010.

The report contains several errors, most of which were made by sources to whom CEP attributes its findings. However they don't blunt the over-all thrust of the document.

The CEP findings also conclude that there isn't enough water available to accomplish all the projects now on the planning boards, and it fears that the permanent loss of water will "further dry out the already semi-arid land."

Some side effects of development—the need for the equivalent of 450 square miles of land for 8,015 miles of electric transmission line right of way, for example—also are cited in the report.

CEP describes itself as "a nonprofit organization established to disseminate unbiased and detailed information on practices of U.S. corporations in areas that vitally affect society. . . ."

CEP REPORT LISTS TOP LEASE HOLDERS

The top 15 lease holders to federal and Indian coal deposits, and the number of acres held as cited by the Council on Economic Priorities (CEP) are:

Kennecott Copper Co. (includes Peabody Coal Co., Kennecott Coal Co. and Senecal Coals Ltd.) 53 leases for 179,528 acres.

El Paso Natural Gas Co., 16 leases for 67,298 acres.

Continental Oil Co., also Consolidation Coal and Consol & Kemmerer), 35 leases for 63,948 acres.

Utah International Inc., 27 leases for 55,638 acres.

Pacific Power & Light Co. (also Decker Coal), 20 leases, for 43,820 acres.

Lincoln Corporation (also Kemmerer Coal Co., Consol & Kemmerer, Gunn, Quealy), 27 leases for 43,945 acres.

Arizona Public Service & San Diego Gas and Electric Co., 21 leases for 40,911 acres.

Westmoreland Coal and others, one lease for 30,874 acres on the Crow Indian Reservation, Mont.

Shell Oil Co., one lease for 30,247 acres on Crow Indian Reservation.

Sun Oil Co. (also Cordero Mining Co.) 2 leases for 21,240 acres.

Richard Bass, one lease for 20,700 acres.

Gulf Oil Corp. (Pittsburgh and Midway Coal) 9 leases for 20,587 acres.

American Metals Climax (also Meadowlark Farms), three leases for 20,196 acres.

United States Steel Corp., 20 leases for 19,792 acres.

Atlantic Richfield Co., 6 leases for 19,144 acres.

Total: 232 leases for 658,538 acres.

[From the New York Times, May 21, 1974]

STUDY SAYS COAL LESSEES AWAIT SPECULATIVE PROFIT

(By Gladwin Hill)

In the face of widespread calls for opening up Western coal deposits to increase energy supplies, coal companies with 20 billion tons under leases from the Federal Government have left them "virtually untouched" awaiting speculative profits, a research group has reported.

The New York-based Council on Economic Priorities said Sunday that the lack of production was less to be blamed on the coal operators' "commonly accepted" preoccupation with profits than on bad Federal coal leasing laws and poor administration of them by the Department of the Interior.

These weaknesses, the council report said, had deprived the public of both fuel and millions of dollars in royalties, and also made virtually certain that hundreds of thousands of acres earmarked for surface [strip] mining would not be rehabilitated for centuries. The leases cover more than 939,000 acres of Federal and Indian land in seven states.

The Council is a nonprofit organization that gets about half its financing from 20 foundations and half from the sale of reports.

The gist of the coal report have permitted scores of companies to obtain perpetual leases on huge expanses of coal lands for very low fees, often non-competitively and on terms that encourage speculative holding rather than production to contribute to the national fuel supply.

Some of the principal concerns involved, the report noted, are oil companies—Continental, Shell, Sun, Gulf and Atlantic Richfield.

The Interior Department in February, 1973, instituted a moratorium on Western coal leasing pending formulation of new policies, but informed observers believe the moratorium might be lifted this year.

Typifying many pressures in this direction, American Electric Power—a big utility that has no coal lands—is urging in energy-crisis advertisements that the Government "release the vast reserves of Government-owned low-sulphur coal in the West."

The council recommended against any such action, on the basis of the huge quantities of available coal not being mined. The council noted that proposals were before Congress to revamp the laws covering coal leasing but observed that this could not alter the basic terms of existing leases.

The coal report, based on public information obtained from branches of the Department of the Interior, included what was said to be the first public compilation of Western coal leases, production and fees paid. The report was written by James Cannon of the Council staff on the basis of a six-month study.

More than half of the nation's known recoverable coal lies West of the Mississippi, and 80 percent of it is on Federal or Indian land. Coal leasing on these lands is covered by the Mineral Leasing Act of 1920 and the Omnibus Tribal Leasing Act of 1938.

Since 1920 the Government has granted 474 coal leases in the seven states with most of the deposits—North Dakota, Montana, Wyoming, Colorado, Utah, New Mexico and Arizona. The estimated deposits—15 billion tons on public lands and 5 billion tons on Indian lands—are equal to about 35 times 1973 national coal production.

Of the 474 leases, the council reported, only 52 are now producing, and 321 leases have never produced any coal at all. Total production over 54 years has amounted to only 242 million tons, less than 1 per cent of national production.

Most of the leases, the report said, were granted without competitive bidding—nearly half of them through the "preference right" system, similar to claim-staking and involving only a $10 filing fee.

Of 247 nominally competitive lease sales, the Federal records showed, 171 actually involved only one bidder, with the average bid only $2.87 an acre. Wyoming coal is now selling at the mine head for about $3 a ton.

Annual rents on leases generally are only $1 an acre, the Council said and have yielded a total of only $5.7-million. Royalties on coal mined, at 12.5 cents a ton on Federal land and 15.8 cents on Indian land, have yielded only $32.3-million.

The basic reason for the low production has been the fact that Eastern coal has been cheaper, mainly because of hauling costs. But the market situation has been radically changed by the energy pinch and by the projected consumption of a chain of as many of 50 big coal-fired power plants in the West. The Council's main point was that the leasing program had not been geared to market realities and had irretrievably committed a sizable portion of the nation's coal reserves on terms promising coal operators a windfall.

"The Department of the Interior grants leases at mining industry requests and does not enforce the production clauses in the leases," the Council said.

"Corporations that saw the energy shortage coming were able to plan accordingly. The result was an unplanned massive permanent transfer of public resources into private hands."

There are 144 leaseholders in the seven states. The leading one is the Kennecott Copper Company, whose coal subsidiaries hold 53 leases totaling 179,000 acres; among the top 15 leaseholders, which all together hold 232 of the leases, covering 658,538 acres.

The largest amount of mining has been on the Utah International, Inc., lease on the Navaho reservation in New Mexico, where some 48 million tons has been extracted to fuel a power plant.

The council reported that only half of 6.515 strip-mined acres under all the leases have been rehabilitated. Leases require only that land be restored to its "original contours," with no reference to vegetation.

The Council cited a National Academy of Sciences report that areas with over 10 inches of annual rainfall had a "high potential" for reclamation, but that on the 40 per cent of Western coal lands with less rain, any revegetation "may not occur for centuries."

"It seems clear," the report concluded, "that the present state of affairs cannot be allowed to continue, and that a sudden upsurge in leasing is not the answer.

"Over the 650 billion tons of recoverable coal reserves are still untapped in the Midwest and Appalachia. There are 20 billion tons of coal already under lease in the West, not including privately and state-owned coal.

"Once land is leased, it has passed out of public control forever. The nation should not act in haste or panic, because the leasure in which to repent will be long indeed."

Mr. Speaker, I am, of course, highly pleased with the rollback and other provisions of this legislation which clearly help the consumers of this Nation. Of course, it would have been preferable to include some of the requirements relating to obtaining data from the oil companies and energy sources. But I am very pleased that as a result of my amendment to the 1973 bill, the authorization for the Office of Carpool Promotion was cut from $25 million down to $5 million.

Section 113 authorized the Administrator to restrict exports of coal and other energy resources. I do not believe this power goes far enough, and wish that a tough prohibition on exports of coal to all nations except Canada, from whom we import oil, could be placed in the bill. As revealed by the following statement of the National Coal Association, coal exports for the first quarter of 1974 are 18 percent above the first quarter of 1973, and exports of coal to Japan have jumped 31 percent during the same period.

In summary, the bill clearly improves the present situation, and even though I would have preferred to vote for this bill under an open rule procedure allowing full debate and amendments, I plan to vote for the bill. I include the following:

[Foreign News Notes, National Coal Association, May 14, 1974]

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–March 1974	January–March 1973	Percent change
Canada	391,362	551,126	−29.0
South America	542,569	541,553	+.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
Rumania	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.

Mr. RHODES. Mr. Speaker, I would like to state my opposition to H.R. 13834. It contains a rollback provision on the price of crude oil which would be counterproductive and not in the best national interest over the long run.

In addition, the legislation contains the same basic provisions which the President vetoed in the Energy Emergency Act passed earlier this year. In dealing with such important legislation vital to the interests and economy of our country, we should not consider it under a procedure whereby there can be no amendments offered to the specific provisions of the bill.

I urge my colleagues to oppose this legislation.

Mr. CONTE. Mr. Speaker, I rise in vigorous support of this legislation.

Recently I have received dozens of letters and calls from constituents asking: "What are you doing about the high price of oil?"

Or: "What are you doing about the oil companies' excess profits?"

Or: "What are you doing about inflation?"

These are questions I ask my colleagues to keep closely in mind when voting on this legislation.

In my part of New England, the price of home heating oil has increased by 125 percent since last November. The price of gasoline jumped by 75 percent. These huge price hikes in just a few months have severely jolted the lives of many, many people.

The United States is presently in the throes of an inflationary spiral. Unless oil prices are controlled, the spiral will continue. In fact, 50 percent of our

present inflation is tied directly to the high price of oil. And if these prices remain high, the inflationary "ripple effect" on our economy will be devastating.

If inflation is to be controlled, the price of oil must be brought back to reality.

This bill, by rolling back the price of most domestic crude oil and establishing an equitable price for imported oil, promises to put a needed brake on inflation.

It is elementary economic theory that high prices will stimulate growth and greater production in the oil industry. As a Republican, I am an ardent advocate of free enterprise. But the private needs of the oil companies cannot be put above the urgent needs of the American people. It is far more important to our Nation to control the present inflation than it is to maintain plush profits for the petroleum patriarchs.

This bill also contains important energy conservation provisions, assistance for American workers unemployed due to the fuel shortage and protection for branded retail gasoline station operators. In a long series of hearings in the Select Committee on Small Business, which has stretched through the 93d Congress, the need for these provisions has been demonstrated repeatedly.

This legislation is anti-inflationary and proconsumer. I urge my colleagues to support it.

Mr. PEYSER, Mr. Speaker, I rise in support of this legislation. There is no doubt in my mind that we need energy legislation and I felt so almost 6 months. We particularly need two key provisions in this bill.

First, we need a price rollback on domestic petroleum products. I am not convinced that the enormous profits of oil companies during the first quarter are justified. Far from it. Recent reports have indicated that the large profits have not been used to increase exploration, but rather, to increase per share earnings of stockholders. I support the committee findings that a price rollback is both justified and necessary.

Second, I support the intent of the legislation to place controls on imported petroleum prices. However, I do not believe that this section of the legislation goes far enough.

My own district has been hit particularly hard by the escalating cost of imported crude oil, which is needed to supply public utilities. The utilities then pass the increased costs on the consumer. This has been a tremendous burden to the electricity consumer in my area, where 85 percent of the crude oil is imported. The electric bill in total electric homes has been greater than the mortgage in many cases. In the New York metropolitan area there are 10,000 total electric homes, 5,000 of which are in my district.

I am thus introducing legislation today which will compliment this bill. It provides that the Secretary of the Treasury reimburse public utilities for the increased cost of imported crude oil above $7.50 a barrel. Thus, if the price set under the terms of the committee bill is under $7.50, there would be no need for any reimbursement. However, if it is above $7.50, then $7.50 will be the maximum which would be passed on to the consumer, and the difference between $7.50 and the fixed price would be reimbursed to the utility.

I believe that this is a necessary piece of legislation in addition to the committee bill, and I hope that we can enact both swiftly.

Mr. DONOHUE. Mr. Speaker, in our continuing efforts to equitably resolve the energy crisis, and lessen its hardship impact upon the American consumer, I most earnestly hope that the House will approve the pending bill, H.R. 13834, the Standby Energy Emergency Act.

Among other things this measure, in substance, calls for an oil price rollback, setting the price of domestic old crude oil at the November 1973 level; issues a mandate requiring the President to establish an equitable price ceiling for imported oil which specifically prohibits oil companies from passing on to consumers foreign charges such as taxes, royalties, and so forth, which they in turn deduct from their U.S. income tax obligation; and establishes a system of unemployment allowances for workers displaced as a result of energy shortages.

As one who supported the previous National Energy Emergency Act, vetoed by the President, I am even further strengthened in the convictions I registered at that time because everything that has occurred since then has only reinforced my belief that the American consumer is being forced to bear an unnecessary and unfair burden in the exorbitant prices they are paying for gasoline and other petroleum products today.

While all of us could accept the principle that prices should be adequate to provide incentives for finding additional petroleum, we unfortunately find that the overwhelming evidence demonstrates that current prices for both old and new crude oil are far greater than required to provide incentives equal to the industry's ability to increase exploration and production.

Mr. Speaker, nobody questions this National Government's obligation, under ordinary circumstances, to grant adequate legislative protection to the American consumer and I submit that this recognized duty is intensified at a time and during a period of national shortages in such essential modern-life commodities as petroleum products. I hope, therefore, that the House will accept and fulfill our high duty with respect to this Standby Energy Emergency Act and adopt it without any extended delay.

Mr. MINISH. Mr. Speaker, I rise today in vigorous support of H.R. 13834, the Standby Emergency Authorities Act. This act provides for a rollback in the price of domestic crude oil and refined products to their November 1, 1973 price levels. Such a rollback will not only reduce inflationary pressures, it will also protect the interests of consumers who have been excessively burdened by ever higher gas prices.

Current crude oil prices are far greater than required to provide adequate incentives for increased exploration and production. Though oil companies should have an adequate rate of return so as to provide the incentive to search for oil and experiment with new fuels like shale, they do not deserve the record profits they are now getting at the expense of the American public. These profits rose to an incredible 53 percent median profit gain for the oil industry in 1973. Reported first quarter profits for 1974 promise even greater profits for the oil industry this year. At a time when the average man in the street is being forced to shell out over $15 billion a year in extra income to cover increased costs of gasoline, the oil companies continue to reap embarrassing levels of profitability with little increase in productivity or sales.

It must be remembered that fuel costs accounted for 12 percent of the entire 1973 inflation. The inflationary contribution of fuel costs to the 1974 inflation promises to be even greater.

Accordingly, I urge my colleagues to vote in support of the Standby Emergency Authorities Act. The public interest demands that the average consumer not continue to pay higher prices to feed the record profits of the petroleum industry. John Sawhill, Director of the Federal Energy Administration has publicly admitted that the enormous profits of the oil corporations could not possibly be plowed back into direct oil. Therefore, dictates of public interest and responsibility demand passage of this bill today.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from West Virginia (Mr. STAGGERS) that the House suspend the rules and pass the bill H.R. 13834, as amended.

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

Mr. BROYHILL of North Carolina. 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 191, nays 207, answered "present" 1, not voting 34, as follows:

[Roll No. 233]

YEAS—191

Abdnor	Burke, Calif.	Drinan
Abzug	Burke, Fla.	Dulski
Adams	Burke, Mass.	Eckhardt
Addabbo	Burlison, Mo.	Edwards, Calif.
Alexander	Burton	Evans, Colo.
Anderson, Calif.	Carney, Ohio	Fascell
	Chisholm	Flood
Andrews, N.C.	Cohen	Flowers
Annunzio	Collins, Ill.	Foley
Ashley	Conte	Ford
Aspin	Conyers	Fountain
Badillo	Corman	Fraser
Bafalis	Cotter	Froehlich
Bennett	Cronin	Fulton
Bergland	Daniels, Dominick V.	Fuqua
Bevill		Gaydos
Biaggi	Danielson	Giaimo
Bingham	Davis, Ga.	Gilman
Blatnik	Delaney	Ginn
Boland	Dellums	Grasso
Bolling	Denholm	Green, Pa.
Brademas	Dent	Grover
Brasco	Diggs	Gude
Breckinridge	Dingell	Hanley
Brown, Calif.	Donohue	Hanna

Harrington	Moorhead, Pa.	Selberling
Harsha	Moss	Sikes
Hawkins	Murphy, Ill.	Sisk
Hechler, W. Va.	Murphy, N.Y.	Skubitz
Heckler, Mass.	Murtha	Slack
Henderson	Nedzi	Smith, Iowa
Hicks	Nichols	Snyder
Holifield	Obey	Staggers
Holtzman	O'Hara	Stanton,
Howard	O'Neill	James V.
Hungate	Owens	Stark
Johnson, Calif.	Patten	Steele
Jones, Ala.	Pepper	Stratton
Jones, N.C.	Perkins	Stuckey
Karth	Peyser	Studds
Kastenmeier	Pickle	Sullivan
King	Pike	Symington
Koch	Podell	Taylor, N.C.
Kyros	Preyer	Thompson, N.J.
Leggett	Price, Ill.	Thone
Lehman	Randall	Tiernan
Lent	Rangel	Traxler
Luken	Rees	Udall
McCormack	Reuss	Van Deerlin
McDade	Riegle	Vander Veen
McFall	Rinaldo	Vanik
Macdonald	Rodino	Vigorito
Madden	Roe	Waldie
Maraziti	Rogers	Walsh
Matsunaga	Roncallo, N.Y.	Wampler
Mazzoli	Rose	Whalen
Meeds	Rosenthal	Wilson,
Metcalfe	Rostenkowski	Charles H.,
Mezvinsky	Roush	Calif.
Mills	Roy	Wolff
Minish	Roybal	Wydler
Mink	St Germain	Yates
Mitchell, Md.	Sandman	Young, Ga.
Mitchell, N.Y.	Sarasin	Zablocki
Moakley	Sarbanes	
Mollohan	Schroeder	

NAYS—207

Anderson, Ill.	Findley	Mallary
Andrews,	Fish	Mann
N. Dak.	Fisher	Martin, Nebr.
Archer	Flynt	Martin, N.C.
Arends	Forsythe	Mathias, Calif.
Armstrong	Frelinghuysen	Mathis, Ga.
Ashbrook	Frenzel	Mayne
Baker	Frey	Melcher
Bauman	Gettys	Michel
Beard	Gibbons	Milford
Blackburn	Goldwater	Miller
Boggs	Gonzalez	Minshall, Ohio
Bowen	Goodling	Mizell
Bray	Gray	Montgomery
Breaux	Green, Oreg.	Moorhead,
Brinkley	Griffiths	Calif.
Brooks	Gross	Mosher
Broomfield	Gubser	Myers
Brotzman	Gunter	Natcher
Brown, Mich.	Guyer	Nelsen
Brown, Ohio	Haley	O'Brien
Broyhill, N.C.	Hamilton	Parris
Broyhill, Va.	Hammer-	Passman
Buchanan	schmidt	Patman
Burgener	Hanrahan	Pettis
Burleson, Tex.	Hastings	Poage
Butler	Hébert	Powell, Ohio
Byron	Heinz	Price, Tex.
Carter	Hillis	Pritchard
Casey, Tex.	Hinshaw	Quie
Cederberg	Hogan	Quillen
Chamberlain	Holt	Railsback
Chappell	Horton	Rarick
Clancy	Huber	Regula
Clausen,	Hudnut	Rhodes
Don H.	Hunt	Roberts
Cleveland	Hutchinson	Robinson, Va.
Cochran	Ichord	Robison, N.Y.
Collier	Jarman	Roncalio, Wyo.
Collins, Tex.	Johnson, Colo.	Rousselot
Conable	Jones, Tenn.	Ruth
Conlan	Jordan	Ryan
Coughlin	Kazen	Satterfield
Crane	Kemp	Scherle
Daniel, Dan	Ketchum	Schneebeli
Daniel, Robert	Kuykendall	Sebelius
W., Jr.	Lagomarsino	Shipley
Davis, S.C.	Landgrebe	Shoup
Davis, Wis.	Landrum	Shriver
de la Garza	Latta	Shuster
Dellenback	Long, La.	Smith, N.Y.
Dennis	Long, Md.	Spence
Derwinski	Lott	Stanton,
Devine	Lujan	J. William
Dickinson	McClory	Steelman
Downing	McCloskey	Steiger, Ariz.
Duncan	McCollister	Steiger, Wis.
du Pont	McEwen	Symms
Edwards, Ala.	McKay	Talcott
Erlenborn	McKinney	Taylor, Mo.
Esch	McSpadden	Thomson, Wis.
Eshleman	Madigan	Thornton
Evins, Tenn.	Mahon	Towell, Nev.
Treen	Widnall	Young, Alaska
Ullman	Wiggins	Young, Fla.
Vander Jagt	Wilson, Bob	Young, Ill.
Veysey	Wilson,	Young, S.C.
Waggonner	Charles, Tex.	Young, Tex.
Ware	Winn	Zion
White	Wright	Zwach
Whitehurst	Wylie	
Whitten	Wyman	

ANSWERED "PRESENT"—1

Bell

NOT VOTING—34

Barrett	Hays	Runnels
Biester	Helstoski	Ruppe
Camp	Hosmer	Steed
Carey, N.Y.	Johnson, Pa.	Stephens
Clark	Jones, Okla.	Stokes
Clawson, Del	Kluczynski	Stubblefield
Clay	Litton	Teague
Culver	Morgan	Williams
Dorn	Nix	Wyatt
Eilberg	Reid	Yatron
Hansen, Idaho	Rooney, N.Y.	
Hansen, Wash.	Rooney, Pa.	

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Eilberg and Mr. Rooney of New York for, with Mr. Steed against.

Mr. Biester and Mr. Rooney of Pennsylvania for, with Mr. Runnels against.

Mr. Barrett and Mr. Nix for, with Mr. Stubblefield against.

Mr. Yatron and Mr. Carey of New York for, with Mr. Teague against.

Mr. Reid and Mr. Stokes for, with Mr. Jones of Oklahoma against.

Mr. Clark and Mr. Morgan for, with Mr. Camp against.

Mr. Clay and Mr. Hays for, with Mr. Dorn against.

Mr. Kluczynski and Mr. Helstoski for, with Mr. Johnson of Pennsylvania against.

Until further notice:

Mr. Culver with Mr. Litton.

Mrs. Hansen of Washington with Mr. Wyatt.

Mr. Stephens with Mr. Williams.

The result of the vote was announced as above recorded.

REHABILITATION ACT AMENDMENTS OF 1974

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14225) to amend and extend the Rehabilitation Act of 1973 for 1 additional year, as amended.

The Clerk read as follows:

H.R. 14225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Rehabilitation Act Amendments of 1974".

REHABILITATION SERVICES ADMINISTRATION

SEC. 2. (a) The first sentence of section 3(a) of the Rehabilitation Act of 1973 is amended to read as follows: "There is established in the Office of the Secretary a Rehabilitation Services Administration which shall be headed by a Commissioner (hereafter in this Act referred to as the 'Commissioner') appointed by the President.".

(b) Section 3(a) of such Act is amended by inserting after the second sentence thereof the following new sentence: "In the performance of his functions, the Commissioner shall be directly responsible to the Office of the Secretary.".

EXTENSION OF VOCATIONAL REHABILITATION SERVICES

SEC. 3. (a) Section 100(b) of such Act is amended by—

(1) striking out "and" after "1974," in paragraph (1) thereof, and inserting before the period at the end of such paragraph the following: ", and $720,000,000 for the fiscal year ending June 30, 1976", and.

(2) striking out "and" after "1974," in paragraph (2) thereof, and inserting after "1975," in the first sentence of such paragraph the following: "and $40,000,000 for the fiscal year ending June 30, 1976,".

(b) Section 112(a) of such Act is amended by striking out "and" after "1974," and by inserting after "1975," the following: "and up to $2,500,000 but no less than $1,000,000 for the fiscal year ending June 30, 1976,".

(c) Section 121(b) of such Act is amended by striking out "1976" and inserting in lieu thereof "1977".

EXTENSION OF RESEARCH AND TRAINING ASSISTANCE

SEC. 4. (a) Section 201(a)(1) of such Act is amended by—

(1) striking out "and" after "1974," in the first sentence thereof and inserting after "1975" the following: ", and $30,000,000 for the fiscal year ending June 30, 1976", and

(2) inserting after "respectively," in the last sentence thereof the following: "and 25 per centum of the amounts appropriated in the third such fiscal year,".

(b) Section 201(a)(2) of such Act is amended by inserting after "1975" the following: ", and $30,000,000 for the fiscal year ending June 30, 1976".

EXTENSION OF ASSISTANCE FOR REHABILITATION FACILITIES

SEC. 5. Section 301(a) of such Act is amended by—

(1) striking out "and" after "1974," in the first sentence thereof, and inserting before the period at the end of such sentence the following: ", and June 30, 1976", and

(2) striking out "1977" in the last sentence of such section, and inserting in lieu thereof "1978".

EXTENSION OF VOCATIONAL TRAINING SERVICES FOR HANDICAPPED INDIVIDUALS

SEC. 6. Section 302(a) of such Act is amended by striking out "and" after "1974," and by inserting after "1975" the following: ", and June 30, 1976".

EXTENSION OF SPECIAL PROJECTS AND DEMONSTRATIONS

SEC. 7. Section 304(a)(1) of such Act is amended by striking out "and" after "1974," and by inserting after "1975" the following: ", and $20,000,000 for the fiscal year ending June 30, 1976".

EXTENSION OF ASSISTANCE TO NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SEC. 8. Section 305(a) of such Act is amended by striking out "and" after "1975," and by inserting after "1975," the following: ", and June 30, 1976.".

EXTENSION OF AUTHORIZATIONS FOR PROGRAM AND PROJECT EVALUATIONS

SEC. 9. Section 403 of such Act is amended by striking out "and" after "1974," and by inserting after "1975," the following: "and June 30, 1976,".

EXTENSION OF AUTHORIZATION FOR CARRYING OUT SECRETARIAL RESPONSIBILITIES

SEC. 10. Section 305(d) of such Act is amended by inserting before the period at the end thereof the following: ", and $500,000 for the fiscal year ending June 30, 1976".

EXTENSION OF AUTHORIZATION FOR ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 11. Section 502(h) of such Act is amended by inserting before the period at the end thereof the following: ", and $1,000,000 for the fiscal year ending June 30, 1976".

EXTENSION OF DATE FOR REPORT ON SPECIAL STUDY OF COMPREHENSIVE SERVICE NEEDS

SEC. 12. Section 130(b) of such Act is amended by striking out "February 1, 1975" and inserting in lieu thereof "June 30, 1975".

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) will be recognized for 20 minutes, and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

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

Mr. Speaker, I rise in support of H.R. 14225, a bill to extend the Rehabilitation Act of 1973 for 1 year, and for other purposes.

I should, at the outset, Mr. Speaker, pay tribute to the distinguished gentleman from Kentucky, the chairman of the Education and Labor Committee, the Honorable CARL D. PERKINS, as well as the distinguished gentleman from Minnesota, the ranking minority member of the committee, the Honorable ALBERT H. QUIE, and the ranking minority member of the Select Education Subcommittee, the gentleman from Pennsylvania, the Honorable EDWIN D. ESHLEMAN, for their efforts in moving this legislation expeditiously through the committee.

Mr. Speaker, the 54-year-old vocational rehabilitation program has long been cited as one of the most successful Federal-State cooperative endeavors.

ONE-YEAR EXTENSION

This program, as Members of the House know, provides a wide variety of services to handicapped Americans to assist them become more independent and productive members of society.

Mr. Speaker, one of the major reasons for the success of this program, is the unique State allotment formula contained in the authorizing legislation.

Mr. Speaker, the dollar figures contained in the authorizing legislation for the rehabilitation program, constitute, for the basic State program, an entitlement of funds for each of the States.

What this unique linkage between the authorizing figures and the State allocations means, is simply this: the law requires the Federal Government to give each State, by formula, a basic grant for rehabilitation services if the State appropriates the necessary matching funds.

Mr. Speaker, the linkage I have described clearly constitutes—and was so intended—a very great incentive to the States to appropriate the necessary matching moneys.

And because the States must know ahead of time what the authorizations are to be—if they are to be able to appropriate the necessary matching moneys—we on the Education and Labor Committee feel it wise to extend the program for 1 year at this time, through fiscal 1976.

Mr. Speaker, some of my colleagues may be wondering why we do not extend the rehabilitation program for more than the single year provided in H.R. 14225.

But I must remind them that the Rehabilitation Act of 1973 mandated several major special studies, including a study of the comprehensive needs of the severely handicapped, which are still in progress.

Indeed, H.R. 14225, at the request of the Secretary of the Department of Health, Education, and Welfare, extends the date for the final report on the special study of the comprehensive needs of the severely handicapped from February 1, 1975, until June 30, 1975.

The committee believes, therefore, Mr. Speaker, that a 1-year extension of the Rehabilitation Act is desirable so that the findings of these studies can be considered when a major extension and revision of the act are considered within the next 2 years.

REHABILITATION SERVICES ADMINISTRATION

Mr. Speaker, H.R. 14225 would also move the Rehabilitation Services Administration from within the Social and Rehabilitation Service to the Office of the Secretary of the Department of Health, Education, and Welfare.

This determination was in large part the result of 3 days of oversight hearings on the rehabilitation program conducted by the Select Education Subcommittee. These hearings caused the subcommittee to conclude that the direction and administration of SRS were not compatible with the rehabilitation programs administered by RSA.

Indeed, Mr. Speaker, the subcommittee found several cases in which top SRS officials seemed willing to ignore the statutory mandates of the authorizing legislation.

Here are some of the problems we encountered.

First. A delay of over 1½ years in appointing a permanent Commission of the Rehabilitation Services Administration;

Second. Although the Rehabilitation Act of 1973 was signed into law last September, regulations to implement the act have yet to be published;

Third. SRS personnel misled the Appropriations Committees in the House and Senate with respect to the amount of Federal money the States could match;

Fourth. SRS personnel are allowing rehabilitation research funds to be spent for other purposes;

Fifth. The administration has seriously considered killing the existing rehabilitation program and replacing it with a cash assistance scheme to disabled persons who then would try to find and buy the services they need;

Sixth. The Rehabilitation Services Administration is being submerged beneath a layer of management and efficiency experts who know little or nothing of the rehabilitation program;

Seventh. Responsibility within RSA is fragmented since regional RSA officials report not to their Rehabilitation Service Administration counterparts in HEW but to the Administrator of the Social and Rehabilitation Service;

Eighth. SRS personnel would prefer to be able to ignore the statutory requirements that there be an independent, identifiable State rehabilitation agency.

The committee has decided, therefore, that in order to protect the important rehabilitation program we must move RSA out of SRS to the office of the Secretary of Health, Education, and Welfare. For SRS personnel, to be blunt, appear to be hostile to the rehabilitation effort.

MINORITY VIEWS

Let me say a few words, Mr. Speaker, about the minority views on the legislation before us submitted by my colleague from Indiana, Mr. LANDGREBE.

For I am afraid that my fellow Hoosier is mistaken in his view of the bill.

He claims: "There were no hearings on H.R. 14225 and no consideration or mark-up by the Subcommittee on Select Education, to which the bill had been referred."

As I have already mentioned, the Select Subcommittee on Education, which I have the honor to chair, held 3 days of oversight hearings on the administration of the Rehabilitation Act of 1973.

Those hearings led me, along with the chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS) and the ranking minority member of the committee, the gentleman from Minnesota (Mr. QUIE) and the ranking minority member of the subcommittee, the gentleman from Pennsylvania (Mr. ESHLEMAN) to introduce H.R. 14225.

So my friend from Indiana is mistaken when he says that there were "no hearings" and "no consideration" by the subcommittee I am pleased to chair.

Indeed, he is even incorrect when he claims that the bill was referred to my subcommittee—for the bill was held in the full Education and Labor Committee after introduction.

Mr. LANDGREBE goes on to claim that the provisions which would establish the Rehabilitation Services Administration within the Office of the Secretary of the Department of Health, Education, and Welfare, are similar to provisions which caused rehabilitation legislation to be vetoed in the 92d and, again, the 93d Congresses.

Mr. LANDGREBE writes:

This provision was contained in S. 7 last year which passed the Congress, was vetoed by President Nixon. . . . One of the major reasons for the veto of S. 7 last year was the fact that it contained a provision similar to Section of H.R. 14225.

My friend is in error.

For S. 7, which was vetoed, contained precisely the same language with respect to the Rehabilitation Services Administration as did H.R. 8070, which was signed into law.

Both bills read:

There is established in the Department of Health, Education, and Welfare, a Rehabilitation Services Administration which shall be headed by a Commissioner . . . appointed by the President.

So my friend is simply inaccurate when he claims that provisions similar to those contained in H.R. 14225 led to the veto of S. 7.

Indeed, Mr. Speaker, I must conclude that H.R. 14225 is not an "example of gross irresponsibility" on the part of the Committee on Education and Labor, but is instead, an excellent example of a committee of Congress responsibly going about its work.

For given the poor administration which the 4 days of hearings before my subcommittee revealed, the irresponsible action would have been to ignore the danger in which this important program found itself.

Mr. Speaker, because the rehabilitation program means so much to so many Americans, I urge my colleagues to join me in support of H.R. 14225.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 7 minutes to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Speaker, I thank the gentleman from Wisconsin for his cooperation. This action we are taking here today was given to us in a way that we would think is a simple extension of the Vocational Rehabilitation Act for another year. I should like to inform my colleagues that there is quite a little bit more to it than that.

As I pointed out in my minority views, I am opposed to this bill, to the way it was handled by the Committee on Education and Labor, and to bringing it to the floor under suspension of the rules.

Last year for the first time Congress provided statutory authority to the Rehabilitation Services Administration. However, in the bill vetoed by the President, S. 7, the Commissioner of RSA was given control over the program in such a way that he would, in effect, be reporting directly to the Secretary of the Department of Health, Education, and Welfare—HEW. This presented the Secretary of HEW with a very difficult situation—his hands were tied in any efforts to organize his department to provide for greater efficiency and better service. For example, if he left the RSA as part of the Social and Rehabilitation Services Administration—SRS—the Commissioner of SRS would be unable to organize his own department as the Commissioner of RSA could simply do whatever he chose without subordinating any of his decisions to the Commissioner of SRS.

This provision was one of the administration's main objections to S. 7 and one of the principal reasons for the Presidential veto.

After the veto was sustained by the Senate, a new bill, H.R. 8070, was introduced. This bill, among other things, still gave RSA statutory authority, but it did not usurp the Secretary of HEW's prerogative in organizing his own department. This bill was passed and signed into law.

Now here we are, only a year later, with a bill that goes much farther in dictating to the Secretary of HEW how he is to manage his department. H.R. 14225 transfers the RSA out of the SRS directly to the Office of the Secretary of HEW. Secretary Weinberger stated his objections to this in the following letter to the Chairman of the Education and Labor Committee:

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., May 14, 1974.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor, Houses of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing concerning H.R. 14225, a bill "to amend and extend the Rehabilitation Act of 1973 for one additional year," which your Committee will consider today. I wish to voice my strong objection to section 2 of that bill, which would provide for the transfer of the Rehabilitation Services Administration (RSA) to the Office of the Secretary.

The primary basis for my objection is that such a provision, if enacted, would seriously limit the Secretary's ability to make essential management decisions as to the best way to marshal the Department's resources based on his evaluation of its missions and capabilities.

In addition, in my view the separation of RSA from the Social and Rehabilitation Service (SRS) would be particularly unwise due to the commonality of purpose shared by the vocational rehabilitation program and other SRS programs, which has led to a close working relationship between them. For example, vocational rehabilitation shares two common goals with the social services program—increased self-sufficiency and self-support. To achieve these goals, these two programs frequently interact closely, to the added benefit of the disabled person pursuing his rehabilitation goal. Day care services, for example, enable disabled parents, who might otherwise be unable to leave their homes and children, to pursue their vocational rehabilitation programs. Such interaction and coordination is clearly enhanced by grouping the vocational rehabilitation program in SRS with other programs sharing related goals and would be seriously disrupted by separating them.

Also, this would be a particularly bad time to transfer RSA for two reasons. First, RSA is now in the final stages of preparation for the implementation of the Rehabilitation Act of 1973. Regulations, which have benefited from the rigorous evaluation and input by the House and Senate Committee staffs, will be published for public comment in the next few days, and contracts for special studies are being let. This process of implementation, which is now at such a crucial stage, would be seriously crippled by the inevitable disruption that the transfer of RSA would cause. In addition, the Office of Human Development in the Office of the Secretary, which would be the only logical component in which to place RSA, is only a little more than a year old. In that year it has assumed, as you know, many crucial new responsibilities, and it is still developing its capacity for effectively carrying them out. This process of development would be seriously threatened by the assumption of an operational program of such major proportions as the vocational rehabilitation program.

I hope that you and other members of your Committee give the above objections your very serious consideration and delete section 2 from H.R. 14225.

With regard to the remaining provisions of the bill, which would extend the Rehabilitation Act of 1973 through fiscal year 1976, I would suggest an additional provision extending the deadline of some of the studies mandated by that Act. Due to the importance and complexity of these studies, it will be necessary to allow additional time for their completion in order to produce the desired results. For example, section 130 of the Act requires that a comprehensive service needs study be completed by February 1, 1975. We estimate, however, that we will not be able to complete a study of the high quality desired before September 30, 1975.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

In other words, the transfer of the RSA would disrupt the internal functioning of HEW and creates a situation in which management decisions could not rationally be made nor efficiently executed. In light of this fact, H.R. 14225 is a cruel way to treat the Nation's handicapped that are served by this program.

It is also important to note that the Secretary emphasizes that the programs handled by the SRS are not only compatible with but complementary to the functions of the RSA. This is in striking contrast to the view stated in the committee report that "the Social and Rehabilitation Service, which is made up primarily of welfare programs is not a suitable home for the rehabilitation program which focuses on developing potential." Apparently, in the committee's view, the welfare programs are not supposed to be focused on "developing potential."

I submit that this is a rude insult to the many thousands of persons receiving welfare who are desperately attempting to improve themselves and their skills in order that they may assume the responsibility of providing for themselves. I doubt that such people view themselves as being totally without potential capable of being developed.

I suspect, however, that the real reason for placing the RSA directly under the Secretary's office is to give its bureaucratic functions, and not its functions in serving the handicapped, greater emphasis and autonomy.

It is neither the best interests of the clients of this vocational rehabilitation program nor the best interests of the American taxpayers that this transfer will further; it is only in the interests of those who wish to add new spending capacity to the RSA in order that they might spend, spend, spend, inflate, inflate, inflate, and elect, elect, elect.

This bill is another example.

This bill is a perfect example of this irresponsible Congress attempting to reduce the executive branch to a puppet of Congress. While the administration is kept busy with the outrageous attacks on the Presidency, Congress proceeds to grab more and more power.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. CONTE) such time as he may consume.

Mr. CONTE. Mr. Speaker, I rise in support of this legislation.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I rise in strong support of this legislation.

I listened to the comments of my colleague before and I think, as often happens, it is interesting to see how two people who have been involved will come up with such different results after they have studied the legislation and come up with different values on what this legislation really means.

I think the vocational rehabilitation bill is one of the bills that Congress really gets its money's worth out of. In my own State of New York they find one of the great values of this bill to be that everything that is paid into this program really comes back twofold to the State. They are dealing in many cases with people who are now on the assistance rolls who are in definite need of having the opportunity of learning a trade and of being able to rehabilitate themselves in a meaningful way so they can earn a living. We have found in our experience that we have taken enough people off the assistance rolls through this aid so that in effect we have gotten back all the money we have put into it. New York is no exception in this. State after State has had this experience.

I think the funds that are allocated here are not in any way excessive I think the recommendations for changes are those changes that will only improve the program and make the administration better and more responsible to carry out the real needs that exist.

Mr. Speaker, I urge my colleagues to give strong support to this bill and to pass it. It has been, one of the most worthwhile pieces of legislation that we have enacted.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, as one of the coauthors of this legislation, I support this bill. I believe that we should extend the authority for title I for 1 additional year in order that adequate planning can be made by the States for their vocational rehabilitation programs.

I also am in support of the provision in the bill that will require the Commissioner of the Rehabilitation Services Administration to report directly to the Office of the Secretary. This is the way it existed several years ago. It was later changed so that RSA reported to SRS and was not objectionable to the people in Vocational Rehabilitation, because Mary Switzer, who was Administrator of the SRS at that time, was considered to be a very close friend of vocational rehabilitation. Since she is no longer there, it is felt by the individuals who work in the field of vocational rehabilitation that they do not have the same kind of friend today.

I believe that the Rehabilitation Services Administration can work well in the Office of Human Development, if that is where it is placed since it is directly in the Office of the Secretary.

This, however, will have to be worked out by the Secretary of HEW, as we provide in our legislation rather than mandating the restrictive language the other body is proposing.

I am, however, unhappy with the fact this bill is being considered today under a suspension of the rules. There is a feeling among many of my colleagues that there should be a change in the formula. I believe that they should have an opportunity to offer amendments to the formula if they want to.

The squaring provisions of the formula designed to help some States south of the Mason-Dixon line were necessary at one time, but I think that situation has changed now.

I have gone along with this bill because I do not want to see the continuity of the program disrupted, but I want to make clear that I believe that the present formula upon which funds are distributed is inequitable, has outlived its usefulness, and needs to be revamped. The question of the formula has been a point of concern for many Members, and recognizing that the formula should be reviewed, the committee mandated through Public Law 93–112—signed last September—that a study on the basic State grant allocation formula be conducted and make recommendations back to the Congress so that consideration can be given to how best to distribute funds and ultimately help more handicapped people throughout the Nation.

The committee fully intended to address the formula question in time to accommodate the next regular extension of the act, but the mandated study will not be submitted to the Congress in time for the committee to even review it and consider its recommendations and report out a bill. Timing is important on this program because of the leadtime needed to secure matching money.

I must point out that the administration is strongly opposed to the provision which requires the Director to report directly to the Secretary. As I indicated, I favor that language; but, I feel that whenever the administration is opposed to some provision there should be an opportunity for those who agree with the administration to offer an amendment if they so desire. That opportunity will be denied to them today.

When this bill goes over to the other body, they will have the opportunity to offer amendments to the extent they want to. I do not see why we keep trying our hands here to prevent the Members from working their will.

The question then comes whether we should do in this bill as some Members did with the bill that just preceded this, to vote against it because of the parliamentary procedure under which it was brought before us.

I urge Members not to vote against it for that reason. As unhappy as I am that it has come up under a suspension of the rules, I think it would be unwise if this vocational rehabilitation bill received a negative vote. It would certainly give a wrong impression of the support that exists for the entire VR program in the Congress. So except for the opposition I have to the parliamentary procedure under which we are operating today I do urge my colleagues to support this legislation, because vocational rehabilitation has been an outstanding program. It has proven itself and wisely spent the increased amounts of money that have been appropriated for the program this year and hopefully there will be an increased amount in the next fiscal year.

Many have been served but we have not reached the number of people who should receive the services of vocational rehabilitation. There are many more in need of those services.

When we passed legislation earlier in this Congress, we put a priority on service to the most severely handicapped. The extensive change that occurred in that legislation will enable VR agencies to better meet the needs of the handicapped of the Nation.

That law is now in effect; it is my hope that within the next year our committee can take up the whole question of the formula and any other changes that are necessary in order to make it more effective at that time.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

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

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman's yielding. I want to associate myself with his remarks. I, too, feel unhappy about the procedure under which this bill comes to us, but I am persuaded by the strength of the program and by the need for the bill that the bill ought to pass today.

As the gentleman from Minnesota and the gentleman from Indiana know, I offered during the Education and Labor Committee's consideration of this bill the amendment consistent with the administration position. In fact——

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. STEIGER of Wisconsin. Mr. Speaker, I yield 2 additional minutes to the gentleman from Minnesota.

If the gentleman will yield further, that amendment failed quite resoundingly within the Committee on Education and Labor. There was little support on either side of the aisle for it, but I think that amendment really does deserve to be considered and discussed today, to allow the House to work its will.

Thus, I find myself in the position of believing that we ought to have a fuller debate on this bill, yet recognizing the reasons why the bill must pass. Therefore, I join with the gentleman from Minnesota in urging passage of this important bill.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, initially I want to compliment the distinguished chairman of the Select Subcommittee on Education, JOHN BRADEMAS, for the timeliness of this action.

All of my colleagues know of the complications brought about at the State and

local level when we do not have timely Federal programs. We can look back over authorizations and appropriations for the years and we can confidently cite the vocational rehabilitation program as a model program in that— for the most part—the program has been free of such complications.

Because of the entitlement concept in the basic Federal-State rehabilitation program, States have traditionally had early information on what Federal funds might be expected and this has allowed the States adequate opportunity for orderly planning, programing and budgeting.

The principal purpose and ojective of the bill before us today is to insure that this pace can be maintained. It is simply a 1-year extension which will provide early information to the States on what they might expect in Federal funds in fiscal year 1976. This information is needed by the first of the year.

The dollar authorizations for fiscal year 1976 which total $841,500,000 are modest indeed—being only slightly higher than existing law—and certainly far below what we know is needed in this important field.

This 1-year extension will also allow for the completion of a number of important studies which were authorized in the Rehabilitation Act of 1973. It will allow sufficient time also for the Committee on Education and Labor and the Congress to analyze the results of these studies in connection with our work on a major rehabilitation bill.

There are issues which require very serious and indepth consideration and deliberation, such as the manner in which vocational rehabilitation funds are allocated and the extent to which such funds should be concentrated on serving the most severely disabled. We do not want to be rushed into these decisions and the 1-year extension will allow for thoughtful and comprehensive analysis and evaluation.

Another feature in this bill proposes the transfer of the Rehabilitation Services Administration—which administers the rehabilitation program—from the Social and Rehabilitation Service where it is presently located, to the Office of the Secretary of Health, Education, and Welfare.

It is clear from the oversight hearings and studies of the Select Subcommittee on Education, that the rehabilitation program is being handicapped under the present administrative structure.

There is obviously some controversy over the proposed transfer, but I do not detect any controversy among those rehabilitation leaders and experts in the field as to the transfer provision of this bill. To the contrary, the proposed transfer enjoys widespread support among those in the rehabilitation movement who are working at the State and local levels.

Mr. Speaker, this is a bill which I believe every Member of this body can support, and I urge its overwhelming approval.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I rise in support of H.R. 14225, the Rehabilitation Act Amendments of 1974. I feel this bill is critical if the highly successful programs established by the Rehabilitation Act of 1973 are to be continued without interruption.

This bill although simple in content will have far-reaching effects on the future of vocational rehabilitation programs across this Nation. What this bill will do is to simply extend the funding for the Rehabilitation Act for 1 year through fiscal year 1976 at an authorized funding level of $841 million.

In my home city of New York which participates rather heavily in these vocational rehabilitation programs, this legislation will bring a sigh of relief to those agencies, responsible for administering these programs. The key to the success of these programs is knowing in advance, information on Statewide allotments for vocational rehabilitation programs. Prior to this legislation being considered in the Education and Labor Committee of which I am a member, I had received numerous letters from both administrators and participants in these programs expressing concern that unless the authorization was extended in the near future, many of these programs would be forced to discontinue. I am pleased that we in the Education and Labor Committee were able to respond to this challenge and report out H.R. 14225, a bill which not only insures continuation of existing programs, but provides increased funding for them as well.

Further, H.R. 14225 will correct the one-series problem which has plagued the Rehabilitation Act since its inception by transferring the Rehabilitation Services Administration from the Social and Rehabilitation Service to the Office of the Secretary of the Department of Health, Education, and Welfare. The need for this transfer was brought out during the hearings on this bill when it was determined that the responsibility for administering the programs of the Rehabilitation Services Administration was not being effectively accomplished under the auspices of the SRS.

Mr. Speaker, the programs created by the Rehabilitation Act of 1973 have benefited large segments of our population who were in desperate need of vocational rehabilitation services. These programs have provided training which has led in many instances to gainful employment for millions of handicapped as well as blind and deaf individuals. These people are grateful for what has been accomplished, and millions more are counting on the continuation of the programs so that they too can participate. Therefore, I urge that this measure be given swift approval today by my colleagues, and equally prompt action be taken by the Senate and the President.

Mr. VANIK. Mr. Speaker, I support the legislation before the House today to extend the Vocational Rehabilitation Act of 1973 for 1 year.

The Vocational Rehabilitation Act of 1973, survivor of two Presidential vetoes, is now in danger of a bureaucratic assassination at the hands of an administration apparently dedicated to its death. Although signed into law September 26, 1973, by President Nixon, implementation of much of Public Law 93–112 is still not complete; indeed in many cases, implementation has not yet begun.

Title V of Public Law 93–112, Mr. Speaker, has suffered particularly. Sections dealing with employment of disabled persons, architectural and transportation barriers to the physically handicapped, and nondiscrimination under Federal grants have not yet seen the full light of day. The Department of Health, Education, and Welfare has procrastinated, evaded, and ignored the mandate of the Congress despite the overwhelming votes, two separate times, of the House and Senate.

My letters to the agencies responsible for this nonimplementation go unanswered, or replies do not respond to my questions. As of May 15, only 55 out of 80 Federal agencies had complied with a March 26 Civil Service Commission deadline for submission of their plans for employment of the disabled. The Architectural and Transportation Barriers Board, established by the act, has apparently allowed almost 8 months to pass without doing any more than figuring out who they were and who would be chairman.

Mr. Speaker, it appears that an extension of this act is necessary if for no other reason than to allow time for implementation of title V.

I urge my colleagues to support this legislation, Mr. Speaker, perhaps another overwhelming vote can confirm congressional intent and shame the administration into action.

In addition, I would like to commend the committee for its early action on this legislation. I hope that the committee can give favorable consideration to recent amendments which have been added to the Elementary and Secondary Education Act. As the committee knows, title V of the Vocational Rehabilitation Act provides that—

> No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

As a result of this language—in essence the same as title VI of the Civil Rights Act of 1964—and general court actions, a number of complaints have been brought throughout the Nation to require that educational services be made available to all children, including the physically and mentally handicapped. There have been 36 court cases in 24 States on the right to education for all handicapped children. There have been 38 court cases in 25 States on the right of these children to due process and 8 court cases in 6 States on the right of treatment for all children who need it. In those cases which have been decided, judgments

have been given—as they should be—in favor of the handicapped children and their parents.

It is obvious that the language of title V, as well as other case law, will soon require that all States provide educational services to all children.

Yet the cost of providing such services can be enormous. First of all, approximately 60 percent of the Nation's handicapped children presently receive no educational aid at all. Data on the number of handicapped children and the level of unmet need can be found in the Senate report to the Elementary and Secondary Education Act Amendments:

There are 7 million (1 million of preschool age) deaf, blind, retarded, speech-impaired, or other health-impaired children in the United States who require special education programs. Although these children represent approximately 10 percent of the school age population (a conservative estimate), and although the number of children receiving special help has grown from 2.1 million to nearly 3 million in the past 5 years, current data indicates that less than 40 percent are receiving an adequate education.

To help the States meet the enormous cost of financing educational services to all children, yesterday the other Chamber accepted an amendment to provide an emergency grant to the States to begin to implement the various court orders and the language contained in title V of the Vocational Rehabilitation Act.

I hope that the committee will favorably consider these proposals for emergency and adequate funding to help the States provide service to the millions of children who are presently neglected and discriminated against.

Mr. BROYHILL of North Carolina. Mr. Speaker, I rise in support of H.R. 14225, the Rehabilitation Act Amendments of 1974. This bill will extend the authority for programs carried out under this act through fiscal year 1976. Additionally, it transfers the Rehabilitation Services Administration to the Office of the Secretary of Health, Education, and Welfare from the Social and Rehabilitation Service.

Over 3 million handicapped people have been rehabilitated since the vocational rehabilitation program was first started in 1920. And throughout my 12 years in Congress, I have been a strong advocate of this program. By training our Nation's handicapped for vocational work, we serve the unfortunately afflicted by taking them off the welfare rolls and helping them to reenter American society as useful working members of their communities.

I am pleased that congressional action is being taken at this time to extend the vocational rehabilitation authorization. Each State will now be able to determine how much Federal money they can anticipate in fiscal year 1976 for their vocational rehabilitation programs, thereby enabling them to allocate their State resources and expenditures accordingly. This will, of course, facilitate orderly and timely administration of programs at State and local levels. At the Federal level, it will assure that no delay occurs in the appropriations process.

I am particularly glad that the program this year is being considered in a bipartisan way and that attempts are not being made to expand the spending authority beyond the realm of possible funding. As my colleagues know, this occurred last year, resulting in a Presidential veto, and stalling of the program and the orderly continuation of grants to the States. I played a role at that time in introducing a compromise bill which was cosponsored by over 100 Members of both parties. I offered this compromise to the membership as a way to break the stalemate existing then between the White House and the Congress, and I am pleased that legislation similar to mine was finally adopted.

This year, the Congress has acted in a reasonable manner and has produced a workable bill. I urge its passage.

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and pass the bill, H.R. 14225, as amended.

The question was taken.

Mr. LANDGREBE. 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 400, nays 1, not voting 32, as follows:

[Roll No. 234]

YEAS—400

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clausen, Don H.
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammer-schmidt
Hanley
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Selberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Landgrebe

NOT VOTING—32

Barrett
Biester
Camp
Carey, N.Y.
Clark
Clawson, Del
Clay
Culver
Diggs

Dorn	Kluczynski	St Germain
Ellberg	Litton	Steed
Hanna	Morgan	Stubblefield
Hansen, Idaho	Nix	Teague
Helstoski	Pepper	Williams
Holifield	Reid	Wyatt
Johnson, Pa.	Rooney, N.Y.	Yatron
Jones, Okla.	Runnels	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Teague with Mr. Dorn.
Mr. Rooney of New York with Mr. Hanna.
Mr. Stubblefield with Mr. Litton.
Mr. St Germain with Mr. Clay.
Mr. Carey of New York with Mr. Pepper.
Mr. Clark with Mr. Reid.
Mr. Ellberg with Mr. Camp.
Mr. Holifield with Mr. Wyatt.
Mr. Nix with Mr. Helstoski.
Mr. Morgan with Mr. Hansen of Idaho.
Mr. Barrett with Mr. Biester.
Mr. Steed with Mr. Johnson of Pennsylvania.
Mr. Yatron with Mr. Williams.
Mr. Kluczynski with Mr. Del Clawson.
Mr. Jones of Oklahoma with Mr. Runnels.
Mr. Diggs with Mr. Culver.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. 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. 14225 just passed by the House.

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

There was no objection.

APPOINTMENT OF ADDITIONAL CONFEREES ON H.R. 14368

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint two additional managers on the part of the House at the conference on 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.

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

There was no objection.

The SPEAKER. The Chair appoints as additional managers on the part of the House at the conference on the bill H.R. 14368, the following Members: Mr. ROGERS and Mr. NELSEN.

The Clerk will notify the Senate of the action of the House.

AUTHORIZING APPROPRIATIONS FOR THE SALINE WATER PROGRAM FOR FISCAL YEAR 1975

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 13221) to authorize appropriations for the saline water program for fiscal year 1975, and for other purposes, as amended.

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 (a) there is authorized to be appropriated to carry out the provisions of the Saline Water Conversion Act of 1971 (85 Stat. 159) during fiscal year 1975, the sum of $13,910,000 to remain until expended as follows:

(1) Research expense, not more than $2,300,000;

(2) Development expense, not more than $6,084,000;

(3) Design, construction, acquisition, modification, operation, aand maintenance of saline water conversion test beds and test facilities, not more than $2,626,000;

(4) Design, construction, acquisition, modification, operation, and maintenance of saline water conversion modules, not more than $900,000; and

(5) Administration and coordination, not more than $2,000,000.

(b) Expenditures and obligations under paragraphs (1), (2), (3), and (4) of subsection (a) of this section may be increased by not more than 10 per centum and expenditures and obligations under paragraph (5) of subsection (a) of this section may be increased by not more than 2 per centum, if any such increase under any paragraph is accompanied by an equal decrease in expenditures and obligations under one or more of the other paragraphs.

SEC. 2. In addition to the sums authorized to be appropriated by section 1 of this Act there are also authorized to be appropriated such additional sums or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law or other non-discretionary costs.

The SPEAKER. Is a second demanded?

Mr. LUJAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. JOHNSON), will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my pleasure and duty to rise again on behalf of legislation to authorize appropriations for the saline water research and development program for fiscal year 1975.

H.R. 13221, as amended by the Committee on Interior and Insular Affairs, has had the most careful scrutiny by my Subcommittee on Water and Power resources and by the full Interior Committee.

I wish it were possible for me to tell the Members that our committee was unanimously in favor of this legislation—but I cannot fail to point out that there was one vote cast against the bill on final passage in full committee.

What is at issue here, Mr. Speaker, is the size of the program or, more appropriately, whether there shall continue to be a program of federally supported research in the field of desalting. The administration would have us believe that $3,029,000 in new funds, plus $1,840,000 in carryover from last year is all that is necessary.

Our committee simply did not buy this position. We would regard H.R. 13221, as recommended by the administration, as being tantamount to no bill at all. It would not enable the maintenance of an adequate staff of specialists nor would it remotely approach an adequate program of research and development. A vote for H.R. 13221, at the level of the administration's request would be a vote for phasing out the entire program and would be a repudiation of all the votes cast in prior years for this activity. Let us look at the last few years.

For several years prior to and including fiscal year 1973, the administration regularly requested and received funds in the range of $25 to $30 million. As recently as 2 years ago we authorized and appropriated more than $26 million. Last year we authorized more than $15,000,000 on the strength of a clear showing that the funds could be well and profitably used in needed research and development work. This work is going on and should continue.

We are making some good headway in this program yet we have a distance to go. Since we brought our last research and development authorization bill to the floor we have seen the administration recommend resalting technology as the solution to the longstanding problem between our country and Mexico on the salinity of the Colorado River. The fact that our Government has seen fit to propose desalting as the answer to this problem is abundant proof that the research is paying off. It will continue to pay off as we address other salinity problems at home and abroad.

The fact of viable technology does not mean, however, that research can be abandoned. Much progress remains to be accomplished in improved systems and new systems still on the drawing board. This type of program simply cannot be carried out with the pittance requested by the administration.

Our bill is proposed to be amended in such a manner as to authorize new appropriations of $13,910,000. This sum of money, when augmented by the carryover of $1,840,000 will have a funded work program of $15,750,000—an amount equivalent to the sum authorized last year. Critics of this bill will undoubtedly characterize this as a fourfold increase of what the administration requested. For my part, I would prefer to characterize it as a reduction of 50 percent from traditional levels of activity we have funded for the past decade.

Specifically, this program will enable us to maintain our basic and fundamental research capability; to engage in developmental work on promising concepts; to keep our test facilities in operation for another year, and last, to get a full year of operating data from the Fountain Valley module.

At the present time the staff of the Office of Saline Water consists of about 70 persons—but would-be necessity be reduced by more than one-half that

number under the administration's program. The program recommended by the committee will not require any additional positions but will be adequate to maintain the highly skilled group that we now have on the rolls.

The technical emphasis in this program is on improving freezing and membrane processes and we have included a large item in the development category to construct and test pilot plants. There is a great need to test new technology in reverse osmosis—on both seawater and brackish water where much has already been accomplished.

The program does not contain much in the way of distillation research except in the field of materials testing. This is about the only aspect of distillation research that merits continued Federal support—and is a typical instance of where the committee has shaped the program to fit clearly justifiable objectives and eliminated unjustified activities.

In conclusion, Mr. Speaker, I believe that this little bill represents an opportunity for the congress and its committees to prove their intention to keep charge of the priorities of this Government. Unless we adopt the committee amendment and approve the bill in the form reported by the committee, we might just as well give up any hope of managing the water resources programs of this Government—and turn them over to the people in the executive bureaucracy. I, for one, am not willing to let this happen and urge all my friends and colleagues to support us in passing this bill.

The need is still with us. Everyone who testified said that there has to be more research and development on the various types of water, whether it be seawater, return flows, brackish water, sewer effluent, or geothermal brine. If we are going to continue to develop our needs in the field of water we must continue our research in seawater also because of its abundance along our coastlines. We also have great supplies of brackish water, and sewage effluent, agricultural return flows, and geothermal brine at the present time.

I think this is a very modest requirement for authorization for funding of the Office of Saline Water.

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

Mr. JOHNSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

As I understand it this would authorize nearly $14 million for appropriation for 1 year. Is that correct?

Mr. JOHNSON of California. Yes. The bill provides an authorization of $13,910,000.

Mr. GROSS. And does the fact that the gentleman enumerated several transfers of funds indicate that this program has been rather overstuffed with money in the past, since the transferability is available?

Mr. JOHNSON of California. The transferability is very limited. It is limited—it is limited to no more than 10 percent of any category. This is a very strict limitation on the transfer of funds between the categories. Section 2 which would limit the amount of transfer in category 5 to 2 percent, so I think there is a yardstick to govern the amount of funds that can be transferred.

Mr. GROSS. I thought transferability came from unexpended funds from previously approved projects.

Mr. JOHNSON of California. There is only $1,840,000 of carryover funds and this has been assigned very carefully to the five categories. So that is pretty well tied down, I would say to the gentleman from Iowa. This is a minimum of research to carry on the activities which are needed to produce the end results of treating sea water, return flow, brackish water, sewer effluent, and geothermal brine.

We talk about development of our resources in the West but without water we just cannot develop these resources. It is very mandatory for the welfare of the West in the United States that we do a proper job in research and development on saline water so that we will have the necessary technology to pass on to industry and others to make certain that we will have plants that will be able to operate.

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

Mr. JOHNSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I believe the report points out, and I believe the gentleman repeated this statement in the report, that there has already been $270 million expended in this program. Let me ask the gentleman: Has all of that $270 million been expended for projects in the United States?

Mr. JOHNSON of California. Yes. There are many projects in the United States and I would say to the gentleman that all the technology we have developed in this program under the jurisdiction of the Office of Saline Water is made available around the world; and there are plants being built throughout the world. The most recent plants that have been built in the United States include one that has been built in California. There are two very essential desalting plants which have been built in the Virgin Islands, one at St. Croix, and the other at St. Thomas. These are the most recent. There are many other plants in operation today. We have a plant in Florida, that serves Key West, and others are scheduled throughout the United States. I do not know the exact number, but I would have to say to the gentleman that there is a great need for this type of facility in other parts of the world, from the technology being developed here.

Mr. GROSS. Are foreign governments not spending some money on these desalinization experiments?

Mr. JOHNSON of California. Yes; they are spending a great deal of money.

Mr. GROSS. And we have appropriated a great many millions of dollars for the benefit of experiments in foreign countries; is that not true?

Mr. JOHNSON of California. Yes.

Mr. GROSS. Are we getting any input from not only the money that is being expended on their own, but other foreign countries; are we getting any input from the money this Government has appropriated for experiments on the part of other foreign governments?

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

Mr. JOHNSON of California. I yield to the gentleman from Florida.

Mr. HALEY. Of course, I might say to my good friend here, the results are given to other nations if needed; however, none of this money, to my understanding, has been spent outside the United States on research.

Mr. GROSS. None of the $270 million has been spent out of the country, but we have appropriated in other bills a good many millions of dollars for experimentation in foreign countries, desalinization experimentation.

Mr. HALEY. This money that the gentleman from California has been speaking about has not been spent in foreign countries. It has been spent right here in the United States.

Mr. Speaker, will the gentleman yield further?

Mr. JOHNSON of California. I yield further to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, I want to say to the gentleman that I thoroughly agree with what he has said here today. This is a program that I think is very vital, not only to the United States of America, but the knowledge that we have obtained is knowledge that is needed throughout the world; so I want to associate myself with the remarks of the gentleman from California.

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

Mr. JOHNSON of California. I yield to my colleague, the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I would like to associate myself with the remarks of the gentleman and commend the gentleman on his very able leadership in this field. I do not think there is anyone on the floor of this House that has worked harder in this field and in a more economical manner than the gentleman in the well.

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

Mr. Speaker, I simply want to associate myself with the remarks that the gentleman from California has made. I am proud to serve on the committee with him. He is quite knowledgeable on all these matters. I think that a good program has been worked out.

Mr. Speaker, I think the program is a modest program for such an important job that needs to be done.

The Office of Saline Water was established 20 years ago to foster the development of desalting technology to meet the water needs of a rapidly growing nation.

As the result of its work, there are hundreds of desalting plants throughout

the world with a daily capacity of 550 million gallons. And none of this production would have been possible without the research and development efforts of the Office of Saline Water.

When this Office opened its doors 20 years ago, the rock-bottom price for desalted water was about $7 per 1,000 gallons. Today, that same thousand gallons can be bought for under a dollar if it is reclaimed sea water, and for less than 50 cents if it is reclaimed brackish water.

Mr. Speaker, I want to emphasize that point. In these days of rising costs and prices, when most Federal agencies are contributing to inflation through their exorbitant spending, the Office of Saline Water stands out as one of the few agencies of Government that is bringing prices down.

And yet there are those who say that this office has served its purpose and should be phased out. I disagree, and I strongly support this bill.

Many of the authorizations that come before this body are, indeed, excessive. And I oppose them. And many of the programs we continue to fund should be phased out, but the saline water program is not one of them. This is money well spent.

There are still many obstacles ahead before the water problems of America are solved. Coming from a semi-arid State, I can assure you from personal knowledge that millions of Americans today have their hopes for the future tied to the work of this agency.

Prices of reclaimed water can be brought much lower than they are today. The track record of OSW proves that this is the agency to do it. Given the time and funds, they can and will provide the technology to succeed.

Having developed the highly successful membrane system, the OSW can now direct its efforts toward the desalting of ground and surface waters. Reclaiming industrial waste waters, and giving us new methods to clean up our lakes, rivers, and streams.

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

Mr. LUJAN. Certainly, I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman having spent $270 million on this program and now asking for an authorization of nearly $14 million, does the gentleman see any end, having spent a good many millions of dollars on foreign governments in their experimentations with regard to desalinization of water, does the gentleman see any end to this? What progress is being made?

Mr. LUJAN. Yes, I do see an end to it. When I first came to the Congress, we were talking about 1,000 gallons of water costing $3.50 to desalt. I have heard some figures as low as 35 cents for the same 1,000 gallons.

The authorizations have been going down. As a matter of fact, in 1973 the authorization and appropriation at that time was $26 million. Last year, there was a total of $15 million spent on the program. This year, it is $13 million, so that while the authorizations have been going down, so has the price of the thousand gallons of water.

Mr. GROSS. Mr. Speaker, I would hope, and I do suggest to the Interior Committee, that when they come before Congress asking for another appropriation, that we be given in the report some information with respect to how much we are appropriating for foreign countries to carry on their experiments.

Mr. LUJAN. I do not believe that there is any money—I stand to be corrected, but I do not believe there is any money here at all. I have not heard any discussion that any of this money is going to any foreign country to build any kind of desalting plant.

Mr. GROSS. Mr. Speaker, I quite agree with the gentleman, but I think we ought to have pulled together the total figures we are spending. There is money in the foreign aid bill of last year for experiments in foreign countries in desalinization of water, and I think we ought to have brought together in one place how much money is being expended in toto by the Federal Government of this country for this program, and what we are getting back from the money that we are spending abroad as well as in this country. I think we ought to have a little more information than we are getting with respect to it. I thank the gentleman for yielding to me.

Mr. LUJAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Speaker, last year I opposed this bill because it considerably exceeded the budgetary figure recommended by the administration. It had been planned that this program, after some 25 years, would accomplish its purpose and be phased out The administration did indeed recommend a phaseout.

I went along with that recommendation despite the fact that last year the bill as put together did indeed carefully allocate funds for programs which certainly were by no means programs which logically should not be carried on. It was just a question of whether they should be carried on in the context of the size of the budget.

That is the same situation we find repeating itself this year. This is a carefully constructed bill. The total of a little over $15 million of funds, including a carryover of funds, will all be spent for very worthwhile objectives.

Yet, at the same time, this is another year of spending in a similar situation, even though for good purposes. As a consequence, some in this Chamber probably, like myself, oppose the authorization for that reason, because they committed against the bill last year, and the reasoning is the same this year. That is why I am going to vote against the bill. But I certainly find every sympathy with those who find in this bill worthy objectives which deserve being carried on despite whatever the situation is in Washington, over at the Treasury Department.

Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. LUJAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CRONIN).

Mr. CRONIN. Mr. Speaker, as a member of the committee. I would like to relate the experience of just one phase of this bill with a firm in my district that has developed a process for desalinization known as the eutectic process. This has been funded by this committee at Wrightsville Test Center for the last fiscal year and will cut the cost of desalinization by 50 percent and utilize 30 percent of the energy that has been utilized in the past.

Mr. Speaker, this is not an expenditure by the Federal Government. It is an investment, because this is exactly the type of facility that the people in the Middle East are crying for. Just as we have a shortage of oil and fossil fuels in this country, they have a shortage of water. They have the dollars, as a result of the oil, to pay for our desalinization equipment.

Mr. Speaker, over and above that, we have a situation where the very same units can be made portable, put on a truck and take care of industrial wastes. industrial waste is brought in at one end and reclaiming the value of the metals in the middle, and providing us with a pure end product. We found that this equipment used at our electronic plating plant and can pay for itself in 3 months while cleaning up our environment in the process.

Mr. Speaker, I contend that this is far from being an expenditure by the Government of the United tSates. It is one of the finest and best investments this country has ever made, and we are just now beginning to receive a return on that investment, not only domestically, but it is going to help our balance of trade because the nations of the world which need this equipment the most have the money to pay for it.

Mr. Speaker, I thank the gentleman for yielding the time.

Mr. CAMP. Mr. Speaker, it is a pleasure for me to have the opportunity to rise in support of H.R. 13221, as amended. I would like to briefly report to my colleagues that at the present time in Clinton, Okla., a 3-million gallon per day brackish water desalting plant is currently being constructed. This plant will desalt the waters of Foss Reservoir, which contain 1,750 parts of salt per million parts of water to less than 500 parts of salt for the use of the cities of Clinton, Cordell, Bessie, and Hobart. This will be the largest brackish water desalting plant in the United States, and it will provide a desperately needed incremental source of fresh water for the cities I have just named.

In terms of dollars, the Office of Saline Water has never been a very large Federal agency, but it has produced remarkable new technology that now is beginning to benefit the people of the United States. We need to continue this

program, because our growing Nation will require more and more water in the years ahead, and we must work now to develop the technology that will help provide some of that water from our vast reservoirs of brackish water and the inexhaustable oceans.

I would like to compliment the chairman of the Subcommittee on Water and Power Resources of the Interior and Insular Affairs Committee for his personal interest in this program. He has visited all of the research facilities of the Office of Saline Water, and has kept himself fully apprised of the progress that is being made to develop new or improved processes. The hearings he conducted this year on the authorization request for the Office of Saline Water made a clear record for the need to amend the administration's bill and to increase the research funds for this vital program.

Not only will the technology being developed by the Office of Saline Water find ever greater application in the United States, but it also offers the potential of developing a new export market for American equipment. This equipment will be particularly needed in the Mideast where we are currently purchasing billions of dollars worth of oil. Desalting equipment is desperately needed in the Mideast. To be in a position to provide desalting technology to that area could be a major diplomatic tool in our continuing negotiations there.

The fuel crisis has been a matter of major concern to this Congress, but I would like to remind you that just because we have a fuel crisis, our water problem has not disappeared. In fact, the President's plan to make the U.S. energy self-sufficient will place an additionally heavy burden on our available supplies of water, and desalting technology may play an important role in the development of our own energy sources by providing the quality of water necessary for process water in coal liquefaction and gasification plants, and in the conversion of shale to oil. Desalting equipment also will be needed to desalt the effluent from these conversion plants before it is discharged back into the environment.

The importance of further developing this technology should be perfectly obvious to everyone. Certainly this Nation can afford to invest $13,910,000 in the development of this critical technology in fiscal year 1975. Perhaps it would be better to say that we cannot afford not to support this program at the level recommended by the Interior and Insular Affairs Committee.

It would be easy for some of you, I am sure, to be rather unconcerned about our water problem because, I suspect, you have never been thirsty, really thirsty, or never have watched crops wither and die because of a lack of water. There is an old adage—when you are thirsty it is too late to dig a well.

We have an opportunity today to support a program that will help solve our water problems. It deserves your support.

Mr. PRICE of Texas. Mr. Speaker, I strongly support the enactment of H.R. 13221, which would authorize appropriations for the saline water program for fiscal year 1975.

These funds will continue the program of saline water research conducted by the Office of Saline Water of the Department of the Interior. This Office has made great strides in the desalting of water, and there is no question that we should continue the successful programs in which they are presently engaged in order that we may plan for future water needs.

In my own district, we are faced with the problem of natural pollutants in the Red River. These pollutants, which are primarily chlorides and sulfates, flow from 10 natural salt sites into the Red River at a daily average of 4,000 tons of salt. Because of the high salt content of this river, its uses are extremely limited. The need to control the salt content of this river is evident and construction of facilities to control this pollutant have begun.

There is a recognized need for further research and development to enhance the effectiveness and efficiency of desalinization technology. This legislation would accomplish this goal.

Mr. LUJAN. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. JOHNSON) that the House suspend the rules and pass the bill, H.R. 13221, as amended.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 3, not voting 34, as follows:

[Roll No. 235]

YEAS—396

Abdnor	Brademas	Cleveland
Abzug	Brasco	Cochran
Adams	Bray	Cohen
Addabbo	Breaux	Collier
Alexander	Breckinridge	Collins, Ill.
Anderson, Calif.	Brinkley	Collins, Tex.
Anderson, Ill.	Brooks	Conable
Andrews, N.C.	Broomfield	Conlan
Andrews, N. Dak.	Brotzman	Conte
Annunzio	Brown, Calif.	Conyers
Archer	Brown, Mich.	Corman
Arends	Brown, Ohio	Cotter
Armstrong	Broyhill, N.C.	Coughlin
Ashbrook	Broyhill, Va.	Crane
Ashley	Buchanan	Cronin
Aspin	Burgener	Daniel, Dan
Badillo	Burke, Calif.	Daniel, Robert W., Jr.
Bafalis	Burke, Fla.	Daniels, Dominick V.
Baker	Burke, Mass.	Danielson
Bauman	Burleson, Tex.	Davis, Ga.
Beard	Burlison, Mo.	Davis, S.C.
Bell	Burton	Davis, Wis.
Bennett	Butler	de la Garza
Bergland	Byron	Delaney
Bevill	Carney, Ohio	Dellenback
Biaggi	Carter	Dellums
Bingham	Casey, Tex.	Denholm
Blackburn	Cederberg	Dennis
Blatnik	Chamberlain	Dent
Boggs	Chappell	Derwinski
Boiling	Chisholm	Devine
Bowen	Clancy	Dickinson
	Clausen, Don H.	
Diggs	Latta	Roncallo, N.Y.
Dingell	Leggett	Rooney, Pa.
Donohue	Lehman	Rose
Downing	Lent	Rosenthal
Drinan	Long, La.	Rostenkowski
Dulski	Long, Md.	Roush
Duncan	Lott	Rousselot
du Pont	Lujan	Roy
Eckhardt	Luken	Ruppe
Edwards, Ala.	McClory	Ruth
Edwards, Calif.	McCloskey	Ryan
Erlenborn	McCollister	Sandman
Esch	McCormack	Sarasin
Eshleman	McDade	Sarbanes
Evans, Colo.	McEwen	Satterfield
Evins, Tenn.	McFall	Scherle
Fascell	McKay	Schneebeli
Findley	McKinney	Schroeder
Fish	McSpadden	Sebelius
Fisher	Macdonald	Seiberling
Flood	Madden	Shipley
Flowers	Madigan	Shoup
Flynt	Mahon	Shriver
Foley	Mallary	Shuster
Ford	Mann	Sikes
Forsythe	Maraziti	Sisk
Fountain	Martin, Nebr.	Skubitz
Fraser	Martin, N.C.	Slack
Frelinghuysen	Mathias, Calif.	Smith, Iowa
Frenzel	Mathis, Ga.	Smith, N.Y.
Frey	Matsunaga	Snyder
Froehlich	Mayne	Spence
Fulton	Mazzoli	Staggers
Fuqua	Meeds	Stanton, J. William
Gaydos	Melcher	Stanton, James V.
Gettys	Metcalfe	Stark
Giaimo	Mezvinsky	Steele
Gilman	Michel	Steelman
Ginn	Milford	Steiger, Ariz.
Goldwater	Miller	Steiger, Wis.
Gonzalez	Mills	Stephens
Goodling	Minish	Stokes
Grasso	Mink	Stratton
Gray	Minshall, Ohio	Stuckey
Green, Oreg.	Mitchell, Md.	Studds
Green, Pa.	Mitchell, N.Y.	Sullivan
Griffiths	Mizell	Symington
Grover	Moakley	Symms
Gubser	Mollohan	Talcott
Gude	Montgomery	Taylor, Mo.
Gunter	Moorhead, Calif.	Taylor, N.C.
Guyer	Moorhead, Pa.	Thompson, N.J.
Haley	Mosher	Thomson, Wis.
Hamilton	Moss	Thone
Hammer-schmidt	Murphy, Ill.	Thornton
Hanley	Murphy, N.Y.	Tiernan
Hanna	Murtha	Towell, Nev.
Hanrahan	Myers	Traxler
Harrington	Natcher	Treen
Harsha	Nedzi	Udall
Hastings	Nelsen	Ullman
Hawkins	Nichols	Van Deerlin
Hays	Obey	Vander Jagt
Hébert	O'Brien	Vander Veen
Hechler, W. Va.	O'Hara	Vanik
Heckler, Mass.	O'Neill	Veysey
Heinz	Owens	Vigorito
Henderson	Parris	Waggonner
Hicks	Passman	Waldie
Hillis	Patman	Walsh
Hinshaw	Patten	Wampler
Hogan	Perkins	Ware
Holifield	Pettis	Whalen
Holt	Peyser	White
Holtzman	Pickle	Whitehurst
Horton	Pike	Whitten
Howard	Poage	Widnall
Huber	Podell	Wiggins
Hudnut	Powell, Ohio	Wilson, Bob
Hungate	Preyer	Wilson, Charles H., Calif.
Hunt	Price, Ill.	Wilson, Charles, Tex.
Hutchinson	Price, Tex.	Winn
Ichord	Pritchard	Wolff
Jarman	Quie	Wright
Johnson, Calif.	Quillen	Wydler
Johnson, Colo.	Railsback	Wylie
Jones, Ala.	Randall	Wyman
Jones, N.C.	Rangel	Yates
Jones, Tenn.	Rarick	Young, Alaska
Jordan	Rees	Young, Fla.
Karth	Regula	Young, Ga.
Kastenmeier	Reuss	Young, Ill.
Kazen	Rhodes	Young, S.C.
Kemp	Riegle	Young, Tex.
Ketchum	Rinaldo	Zablocki
King	Roberts	Zion
Koch	Robinson, Va.	Zwach
Kuykendall	Rodino	
Kyros	Roe	
Lagomarsino	Rogers	
Landrum	Roncalio, Wyo.	

NAYS—3

Gross	Hosmer	Landgrebe

NOT VOTING—34

Barrett	Hansen, Idaho	Rooney, N.Y.
Biester	Hansen, Wash.	Roybal
Boland	Helstoski	Runnels
Camp	Johnson, Pa.	St Germain
Carey, N.Y.	Jones, Okla.	Steed
Clark	Kluczynski	Stubblefield
Clawson, Del	Litton	Teague
Clay	Morgan	Williams
Culver	Nix	Wyatt
Dorn	Pepper	Yatron
Eilberg	Reid	
Gibbons	Robison, N.Y.	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Teague with Mr. Culver.
Mr. Rooney of New York with Mr. Dorn.
Mr. Eilberg with Mr. Gibbons.
Mr. Carey of New York with Mr. Helstoski.
Mr. Boland with Mr. Jones of Oklahoma.
Mr. Morgan with Mr. Reid.
Mr. Pepper with Mr. Biester.
Mr. Nix with Mrs. Hansen of Washington.
Mr. Kluczynski with Mr. Hansen of Idaho.
Mr. St Germain with Mr. Camp.
Mr. Steed with Mr. Johnson of Pennsylvania.
Mr. Stubblefield with Mr. Robison of New York.
Mr. Barrett with Mr. Del Clawson.
Mr. Yatron with Mr. Williams.
Mr. Clark with Mr. Wyatt.
Mr. Runnels with Mr. Litton.
Mr. Roybal with Mr. Clay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. 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. 13221, just passed by the House.

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

There was no objection.

REQUEST TO MEET AT 11 O'CLOCK A.M. TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow, Wednesday, May 22, 1974.

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

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXXON OIL TAXES

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

Mr. COLLINS of Texas. Mr. Speaker, for business growth and full employment in America we must produce more energy. The answer is more oil and gas.

Instead of encouragement and incentives, we have been hearing distorted statements about the oil companies. I pulled the fugures from the 1973 Exxon Corp. statement and found that their net income was only 8.6 percent of their total worldwide revenue. I also found that the total taxes, including income, excise, and other taxes were 36.7 percent of the total revenue.

Exxon only paid 39 percent of earnings as dividends. For instance, for every dollar of dividends for the stockholders, there was $4.80 paid out in other taxes and $3.80 in income taxes. This means that for every dollar of dividends for stockholders there were $8.60 in tax dollars paid to the Government.

Checking the 1973 Exxon profit statement shows that their profit was 1.9 cents per gallon of sales. Compare Exxon's 2 cents per gallon profit with the tax per gallon in Mississippi of 17.86 cents; New York City, 16.34 cents; Honolulu, 15.8 cents; Michigan, 14.6 cents; and California, 14.01 cents. Take the 2 cents per gallon that Exxon earned in Mississippi and look at the taxes of 9 cents State, 3 cents Sea Wall, 4 cents Federal, and 1.86 cents State sales tax, totaling 17.86 cents, which is nine times as much tax as profit.

Let us look at the profitability of all industry based on the New York First National City Bank figures. The 97 leading oil companies had a return on net worth of 15.6 percent. The average for manufacturing companies was 14.9 percent, so the oil industry is about the same as most companies. Oil was below Weyerhauser with 25 percent, and Eastman Kodak, which had 21 percent, and General Motors, which had 19 percent.

In 1973, Exxon earned $2.4 billion, but in 1974, Exxon plans to spend $3.7 billion on capital and exploration. Retained capital is essential when investing 50 percent more than they earned.

With the great need for more capital in discovering new oil fields, recovery from secondary areas, increased refinery capacity, we need to have oil companies earning more money. Congress should be encouraging and providing additional incentives to stimulate and expand oil and gas production in the United States. When Exxon earns only 2 cents per gallon, but taxes range as high as nine times the profits, the need is for less tax bite.

Inflation and tax pressures are lowering Exxon's profits. Recent first quarter of 1974 Exxon financial statement shows sales up 59 percent, but profit increased only 39 percent. Reduced margins lowered profit ratios.

With the Government receiving over $8 to every $1 received by a stockholder, the time has come to demand less taxation.

OIL AND GAS ENERGY TAX ACT

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

Mr. WHALEN. Mr. Speaker, later this week the House of Representatives will consider the Oil and Gas Energy Tax Act (H.R. 14462). I intend to support efforts to eliminate completely, effective January 1, 1974, the percentage depletion deduction.

Until 1973 the price of American-produced oil exceeded world quotations. Since United States firms were high cost producers, domestic prices ranged from $3 to $3.25 per barrel, whereas a barrel of foreign oil could be purchased at $2. Obviously, if our Government permitted unlimited importation of oil, only the more efficient American wells would remain in operation. This would mean that only 40 to 50 percent of our total consumption would be supplied by domestic producers.

It was generally agreed that U.S. security interests precluded our becoming dependent on foreign petroleum sources for more than 20 percent of our aggregate needs. This principle spawned a two pronged national policy.

First, oil exploration and production was encouraged by permitting petroleum firms to deduct percentage depletion against total revenues. This tax break enabled producers to capture a part of their drilling costs from the U.S. Treasury instead of charging a higher price in the market.

Second, oil import quotas were imposed from the mid-1950's until last year. In protecting the domestic producer, this policy also forced the American consumer to buy $3 oil instead of $2 foreign petroleum.

Today conditions have changed. The price of foreign oil exceeds domestic quotations. Since we now have become heavy importers—having to pay world prices for the petroleum we buy abroad—domestic prices inevitably have moved up to a level not much below the world figure. This, in fact, explains the price increases that we, in the United States, have experienced in recent months.

We should abandon the remaining crutch that we relied upon to protect a high cost U.S. oil industry. Several reasons dictate this.

First, percentage depletion is basically discriminatory. It favors the use of scarce, valuable resources at the expense of processes which upgrade the capacity of cheap, plentiful resources. For example, if solar energy can be applied for heating processes at a British thermal unit cost comparable to that of oil—$7 per barrel—there will be no percentage depletion for the solar energy but a $1.30 tax subsidy for the oil.

Second, protection of our "security interests" is no longer a valid rationale for retaining the percentage depletion deduction.

Third, elimination of the percentage depletion will not impose losses on producers who invested in reliance on the tax benefits accruing from such allowance. The disappearance of this tax advantage can be more than recaptured by the higher prices now being secured in the marketplace.

Therefore, it is time for Congress to repeal the percentage depletion allowance.

INTRODUCTION OF LEGISLATION TO ESTABLISH PERMANENT RESERVES OF CERTAIN AGRICULTURAL COMMODITIES AND OTHER PURPOSES

(Mr. BERGLAND asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. BERGLAND. Mr. Speaker, in 1972, this body demonstrated its concern and understanding of the world food situation by passing H.R. 1163 to establish permanent reserves of essential agricultural commodities. Unfortunately, at the personal urging of Secretary Butz, the measure was defeated in Senate committee. Efforts to include this provision in last year's farm bill were frustrated by the same forces.

Today, I am introducing H.R. 14907, which proposes the establishment of national reserves of wheat, feed grains, soy beans, and cotton; offers a system of stabilizing the market on these crops; and provides for the adjustment of the 1974 target price and loan levels on the same commodities.

The need for this legislation has become even more obvious than when the concept was first recognized and approved by the House.

Wildly fluctuating market prices on raw agricultural products have caused the reaction of disbelief. The shouts of angry housewives, faced with outrageous retail prices, have awakened most doubters. The farmer who has been asked to increase his production has responded with uneasiness as uncertainties and his increased production costs bring fears of economic disaster. Gloomy predictions of our future balance of payments drive home the need for agricultural exports.

H.R. 14907 would provide but modest Government stock levels; 200 million bushels of wheat; 15 million tons of feed grains; 50 million bushels of soybeans; and 1.5 million bales of cotton.

The Government would purchase these commodities only in times of excess production. The program would employ higher loan levels to reduce payment liabilities as we provide the American taxpayer with stocks to be drawn upon in times of want.

The sale of reserve stocks would occur only in times of short supply, with a minimum release price of 135 percent of the target price for domestic use.

The market stabilization mechanisms of H.R. 14907 attempt to protect us from raids on our supplies by foreign governments while encouraging those nations to become regular, stable customers of our commodities. First, this provision establishes minimum carryover stocks of the commodities covered: 600 million bushels of wheat; 40 million tons of feedgrain; 150 million bushels of soybeans; and 5 million bales of cotton. Should these levels be reached a 100-percent export licensing requirement would be imposed on the appropriate commodity. Further, whenever a foreign nation attempts to buy more than 120 percent of their purchases of the previous year, of any commodity, prior approval from the U.S. Department of Agriculture would be required if our carryover stocks are expected to fall below its reserve level. This would prevent any one nation from controlling large percentages of supply to the detriment of other foreign customers and the American consumer.

We have asked the American farmer, faced with even greater increases in costs than have been experienced by the ordinary consumer, to greatly increase production. They are meeting the challenge at great personal risk and the upward adjustment of target prices and loan levels would serve notice that our Nation is willing to share some of their risk.

This provision of H.R. 14907 would reset 1974 target prices at about $3 per bushel of wheat; $2 per bushel of corn; and 50 cents per pound of cotton. Loan levels would be adjusted to maintain about the same differential as we now have between target price and loan levels. Beginning with the 1975 crop year, it would also employ an escalator clause.

Our farmers have no guarantee that their response to our call for increased production will do any more than lead them to disastrous prices and bankruptcy. Other nations could flood world markets with their own production. Trade relations with our foreign customers may break down. This is little enough assurance to offer in return for the farmers' own sacrifice.

Mr. Speaker, the signs of future world food shortages and the realities of famine which now exist, are far stronger than those we saw before we were struck by shortages of petroleum. I hope Members of this House, and especially our friends in the other body, will read these signs more carefully and support passage of H.R. 14907.

JOE RAUH: A MAN FOR ALL CAUSES

(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, on April 20, the Washington Post carried a column by Clayton Fritchey entitled "Joe Rauh: A Man for All Causes."

Those of us who have worked with Joe Rauh over the years know this to be a well deserved tribute to this truly outstanding man.

I should like to place the text of that article in the RECORD at this time to share with my colleagues this view of a remarkable and decent human being, Joe Rauh.

JOE RAUH: A MAN FOR ALL CAUSES

(By Clayton Fritchey)

In the wake of the cleanup of the United Mine Workers and the conviction of its former president, W. A. (Tony) Boyle, for murder, various individuals and groups have deservedly been praised for their contributions to this great effort. But the man who masterminded the five-year fight to bring down Boyle has not been mentioned.

Boyle and eight others have now been found guilty in the hired killing of Joseph A. (Jock) Yablonski, and his wife and daughter on the night of Dec. 30, 1969. Before that, Yablonski, guided and sustained by Washington attorney Joseph Rauh Jr., had begun a dangerous and seemingly hopeless struggle to oust Boyle as the corrupt dictator of the mine workers' union.

The mass murder of the Yablonskis naturally spread fear throughout the union, but the crusade was carried on when Rauh met with a little band of 100 reformers just after the Yablonskis were buried and helped organize Miners For Democracy (MFD). Rauh and two surviving Yablonski sons then went after Boyle in the courts. They smashed his effort to expel MFD leaders from the union; they forced free elections of district officers; they pushed criminal charged against Boyle for embezzling union funds, and they pressed for indictment of the Yablonski murderers.

Meanwhile, Rauh successfully renewed his pressure on the Labor Department to intervene. Earlier, after Yablonski had lost a close election to Boyle in 1969, Rauh had tried to get the Labor Department to impound the ballots and investigate 100 complaints of pre-election fraud, but George Shultz, then the Secretary of Labor, refused to act.

After the murders, however, Rauh turned on the heat and finally got action from the government agency, which enabled the reformers to upset Boyle's 1969 "victory" by providing massive vote fraud and financial manipulation. Boyle was sentenced to five years in prison and ordered to pay a $130,000 fine. More than $11 million was restored to the union's pension fund.

Above all, Rauh obtained new and honest elections. The MFD backed reformer Arnold Miller against Boyle, who was still free on bail, and Miller won. When he took office on Dec. 22, 1972, he was able to say with confidence, "The era of one-man rule in this union is over."

One reason Rauh's role has aroused so little attention is that over the last 40 years he has been in the thick of so many notable, even historic, crusades for justice and human rights that the press has come to take his perfomance for granted. In many, if not most, of his public cases, incidentally, Rauh has received little or no compensation.

Although he is well known and appreciated in the circles that matter to him, Rauh has never had the spectacular kind of publicity generated by such flamboyant lawyers as F. Lee Bailey, William Kunstler and Melvin Belli among others. Nevertheless, in the nation's capital, Rauh is now a living monument to civil rights, civil liberties and political liberalism in the classic sense.

As a protege of the late Felix Frankfurter, Rauh went straight from Harvard to the new Securities and Exchange Commission, which reformed Wall Street in the early days of the New Deal. Later he was a law clerk to Supreme Court Justice Benjamin Cardoza and Frankfurter. During World War II he served as an officer on the staff of Gen. Douglas MacArthur. When the war ended he returned to Washington as deputy chief of the federal housing agency. His great achivements, however, date from 1947 when he left government and went into private practice.

He became one of the founders of the liberal but anti-Communist Americans for Democratic Action, which he later headed for many years. At the height of the Joe McCarthy witchhunting era, Rauh defended (usually without fee) more than 100 government employees charged with disloyalty or being security risks. It was thankless work.

As counsel for playwrights Arthur Miller and Lillian Hellman, Rauh did much to limit the freewheeling persecutions of the House Un-American Activities Committee. The lawyer's family got some unexpected attention when Marilyn Monroe, then married to Arthur Miller, came to stay with the Rauhs during the case.

As the unpaid general counsel for the Leadership Conference on Civil Rights, Rauh was in the forefront of the fight for civil rights bills of 1964 and 1965, which revolutionized the U.S. political scene. He was also

a leader in the fight to save the Supreme Court from Nixon appointees G. Harold Carswell and Clement Haynsworth.

For many years, this youngish-looking lawyer of 63 was chairman of the District of Columbia Democratic Central Committee and, as a delegation leader to numerous national Democratic conventions, he has left a lasting and enlightened imprint on the party's platform rules.

"As long as American liberalism can deliver a few Joe Rauhs every generation, powerfully wielding the weapons of freedom, reason and persuasion," remarks Arthur Schlesinger, "we stand a good chance of bringing about necessary social changes a few steps ahead of catastrophe."

DICKEY-LINCOLN: MORE FACTS NEEDED

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, last week I inserted some remarks in the RECORD accompanied by three editorials from WCVB-TV in Boston concerning the construction of the Dickey-Lincoln School hydroelectric project on the St. John River near the Maine-Canada border—May 15, page E3018.

As the editorials indicate, a number of the factors involved in discussion of Dickey-Lincoln are matters of controversy. For this reason, I support the $800,000 appropriation which has been requested for further study—including that of environmental impact. This updated look at the project is essential before a decision can be made on whether or not construction is warranted.

In my last remarks I stated that my intention was to contribute to the dialog concerning Dickey-Lincoln. With that thought in mind, I commend to my colleagues another editorial which raises several important questions. The author of this guest editorial, which appeared in the "Bangor Daily News," is Robert W. Patterson, an architect and landscape architect who was founder and first president of the Natural Resources Council of Maine, chairman of the Maine Historic Preservation Commission and has been a member of several government committees on conservation.

The article follows:

[From the Bangor (Maine) Daily News, May 13, 1974]

DICKEY DAM PROJECT DOESN'T MAKE SENSE

(By Robert W. Patterson)

The winter's exposure of our energy problems has put the old gleam back in the eye of everyone who wants to dam the upper St. John River. It's a good climate for grasping at straws. And the recent flooding of towns along the river, if it had to happen again, couldn't have come at a better time.

Opponents of the Dickey-Lincoln dams can now be tagged with responsibility for the flooding of Fort Kent. At least, that is the implication of remarks made there by Rep. John Martin, as quoted in the Bangor Daily News of May 4: "We have to get to them (the Natural Resources Council). They certainly won't come here now during the disaster." Mr. Martin knows better than that. Someone in trouble may tend to jab at the nearest thing that looks like an enemy, but it's not reassuring to see responsible people furthering irresponsible attitudes.

Right now the most visible targets for Dickey-Lincoln promoters are admittedly the environmentalists who oppose the project. But they are not the only opponents, nor have they been the most effective in the past. They may be more effective this time, because there are more of them, but until now the principal reasons why Congress has refused to fund Dickey-Lincoln have been economic and political. For anyone who can look dispassionately at the proposal, it should not be difficult to figure out just where environmental considerations enter the picture. Important as these considerations are, other things are going to come first.

The only valid reason for damming the St. John would be to produce electric power. Flood control should be given little or no weight in any judgment of Dickey. Such benefits would be only incidental, and probably not fully effective. Dams or not, the river will always freeze and ice jams will form. Other streams enter the St. John below Dickey. Fort Kent would get much better flood protection from the dikes and small flood control dams long proposed by the Army Corps of Engineers—at a fraction of the cost, and much more quickly.

No one pretends that the St. John has enough water to become a reliable source of base power. Dickey-Lincoln would be designed primarily to produce peaking power—a shot of juice once a day, in the evening, lasting perhaps two or three hours.

Estimates vary as to the percentage of New England's, or the northeast's, power needs that Dickey could provide. Its total annual output might be plus-or-minus one per cent of the region's annual consumption; but during the very few hours that Dickey would be operating each day, its production, for those few hours only, might be a considerably higher percentage of the total. Considering the ever increasing demand for energy, and the fact that Dickey's output would be forever limited by the flow of the St. John, sensible consideration of the proposal would seem to require honest answers to a few basic questions:

1. What will be the sources of additional peaking power, as demand increases?

2. Could Dickey-Lincoln's potential contribution be provided instead by those sources?

3. Would the cost to the taxpayer be more, or less?

4. Would environmental losses be larger or smaller?

These seem to me to be the important first questions, and it is my personal opinion that if they are carefully and honestly answered, and the answers are heeded, Dickey-Lincoln will never be built. Whether we like nuclear plants or not, we will be seeing a lot more of them, and one of their characteristics is a constant output of base power. During much of the day they have power to spare, power that can be stored for use at times of peak demand. Peaking power needs are already met, in part, by storing this surplus power by such means as pumped storage. Newer storage methods include among others, the spinning of huge flywheels, and the compressing of air. The latter two have the advantage, as does the currently popular diesel generator, that they can be built near points of consumption, thereby eliminating many miles of expensive power lines. It seems obvious that, Dickey or no Dickey, most peaking needs will have to be met by means such as these. They are being met that way now. If their costs were not reasonable in comparison with the cost of Dickey-Lincoln, private utility companies would have been interested in the St. John long before this.

Dickey proponents will try to show that the answers to questions such as those I have asked are not as I believe them to be, and that the benefit-cost figures show Dickey to be economically justified. Up to now, however, not even the Army Engineers' figures show a very heavy balance in favor of Dickey, and what there is seems to be largely dependent on impossibly low interest rates. But assuming that the final answers show a tipping of the scales in Dickey-Lincoln's favor: that is when environmental factors must be considered. It is then that we must weigh the value of timber and wildlife resources, the long-term recreational value of an un-damned St. John, and the non-value of a huge reservoir whose muddy and stumpy shores become wider and wider through the summer months as the reservoir is drawn down. For as even some Dickey promoters point out, the river can get so low that it will hardly float a canoe. At such times, New York's peaking power needs could only be met by releasing water stored during the spring run-off—water that could not be replaced by normal summer flow.

There is no question that our energy needs are serious. There is no question that towns on the upper St. John must be protected from flooding. But Dickey could do very little to solve our energy problems, and it would not provide the best flood protection. Those who would pay the bill for Dickey, in more ways than one, must hope for clear eyes and clear heads on the part of those who make the final decision.

MAINTAINING FARM INCOME IS IN THE NATIONAL INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SHRIVER), is recognized for 5 minutes.

Mr. SHRIVER. Mr. Speaker, it is generally accepted that in a supply and demand economy such as ours that the supply will meet the demand if there is adequate incentive to produce. This means the suppliers must receive a fair return for their labor and investment or it makes no sense to continue supplying.

Nowhere is this point more critical to our national interests than in the field of agriculture—that is, in the production of the food and fiber this Nation demands. If we are to have adequate supplies of food at reasonable prices, we must allow our farmers a fair return for their efforts.

We as a nation must get away from the notion that anything that is profarmer is automatically anticonsumer. Farmers are consumers. In fact, they as a group are our largest consumers. We have created a situation in this country, however, in which farmers are finding it impossible to be both consumers and producers.

Much was made of the higher prices our farmers received for their products last year. Friends of the farmers, including those of us who represent the Great Plains area, were quick to point out that it was about time. It was, and is, about time our farmers received 100 percent of parity, that mysterious term which means that they finally have reached a position relative to the rest of the econ-

omy equal to the position they had prior to World War I.

So-called friends of the consumers—and who does not consume food—decried the higher prices as inflationary and unfair. Price controls were imposed. Headline-grabbing temporary price boosts at the meat counter stimulated buyer boycotts. There were calls for tougher Federal regulation of our food industry, while shortages developed largely because of existing regulations which were disrupting the market.

Meanwhile, given the go-ahead by the Department of Agriculture under the new farm legislation, farmers began the only process in a supply and demand economy which can effectively bring food prices down—increased production.

On May 7, the Department of Agriculture reported that the winter wheat crop will be the largest ever produced in the United States—27 percent more than last year's record crop. As the Secretary of Agriculture observed:

Farmers are going all out to grow more wheat, fed grains and cotton this year. They are doing it even though machinery is hard to get, fertilizer and other costs have jumped through the roof, and interest rates are high. Farmers are doing a terrific job.

But as the Secretary went on to point out, while prices of farmers' products go up and down—and they have been going down sharply for several weeks—farmers' cost of production go up, and they stay up.

Farm costs are 16 percent higher than a year ago. Fertilizer costs have skyrocketed; machinery, when available, is so expensive that there is a natural hesitation to invest further capital with market prices fluctuating as they have been.

We heard a lot about the $6-a-bushel wheat, although not much wheat was around to be sold at that price. Now the price of wheat is down to half that level and will no doubt go down further, but we do not hear much about that.

By early May of this year, the prices farmers received for corn were down 24 percent below the 1973 high; soybeans were down 56 percent; pork was down 56 percent; choice steers were down 28 percent; eggs were down 48 percent; and broilers were down 47 percent.

What other businessman could operate his business and plan for the future with this type of market? What banking institution can continue to supply the capital for increased production costs with this type of market?

So who will suffer in the end—the consumer. Farmers cannot continue increasing their production to meet increasing demand indefinitely without some type of market protection, and we shouldn't expect them to.

In passing the Agricultural and Consumer Protection Act of 1973, the last "farm bill," Congress called that a protection bill because we intended it to be one. It was designed to protect both the farmer and the consumer.

However, while export-created market demand has stimulated the first real steps toward a market-oriented agricultural industry, the farmer has found himself unprotected from the cost-of-production versus prices-received imbalances which have occurred in the transition period. We must restore that protection.

Therefore, I am today introducing legislation to provide for cost of production increases in wheat and feed grain target prices for the 1974 and 1975 crops. Under this bill the target prices would have to reflect increases in prices paid by farmers for production items, interest, taxes and wage rates. This protection is already in the farm bill for later crops, but it is needed now.

I continue to support the gradual withdrawal of the Federal Government from the day-to-day operations of our farmers, but it is in the national interest to insure that our farmers can continue to furnish the growing demand for their products at a fair return for their investment. This bill would go far to accomplish that with a minimum of governmental involvement. Congress has the responsibility to act on this measure without delay.

MARINE FISHERIES CONSERVATION AND DEVELOPMENT FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing a bill that will establish a marine fisheries conservation fund, comprised of moneys from penalties and fines derived from violations of the Federal fisheries laws, and, in addition, to include an amount equivalent to 100 percent of the gross receipts collected under U.S. customs laws on fisheries products.

This fund will be known as the Marine Fisheries Conservation and Development Fund, and will be used for the conservation, management, protection, and development of the marine fisheries of the United States.

This bill also provides for an advisory committee made up of Government and industry representatives who will advise the Secretary of Commerce in carrying out the functions of the act.

Mr. Speaker, there are many Alaskans, myself included, who are deeply interested in providing assistance to fisheries research and development. It is essential that we redouble our efforts to increase the funding to rebuild our fisheries that have been seriously hurt by the lack of proper management. A recent tragic example of this is in Bristol Bay, where the salmon fisheries have met with near depletion. It is our hope that all funds possible be channeled to the reconstruction of a potentially powerful fishing industry.

I include the bill at this point in the RECORD:

H.R. —

A bill to establish a Marine Fisheries Conservation Fund

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 "Marine Fisheries Conservation and Management Fund Act of 1974".

DEFINITIONS

SEC. 2. As used in this Act—

(1) "Committee" means the Advisory Committee established under section 4 of this Act.

(2) "Fund" means the Marine Fisheries Conservation and Development Fund established under section 3 of this Act.

(3) "Secretary" means the Secretary of Commerce.

FUND

SEC. 3. (a) ESTABLISHMENT.—There is established a separate account in the Treasury of the United States to be known as the Marine Fisheries Conservation and Development Fund. The fund shall be used, in accordance with the provisions of this Act, for conservation, management, protection, and development of the marine fisheries of the United States.

(b) ADMINISTRATION.—Amounts made available from the fund shall be allocated and used by the Secretary for the purposes described in section 5 of this Act in accordance with priorities, standards, and procedures set forth in regulations which shall from time to time be prescribed by him after consultation with the Committee.

ADVISORY COMMITTEE

SEC. 4. The Secretary shall establish an Advisory Committee to assist him in carrying out his functions under this Act. The Committee shall consist of officers and employees of Federal departments and agencies and individuals from State and local governments and the private sector selected by the Secretary, who are determined by the Secretary to have special knowledge and experience in activities relating to the purposes of this Act. Members who are selected from Federal departments and agencies shall serve at the request of the Secretary with the approval of the heads of their departments or agencies and shall receive no additional compensation for their services as members of the Committee. Members of the Committee selected from State and local governments and the private sector, while serving on business of the Committee, shall receive compensation at rates fixed by the Secretary not to exceed $10 per day. All members of the Committee, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Secretary shall make available to the Board such office space and facilities, and such secretarial, clerical, technical, and other assistance and such information and data in his possession or under this control, as the Committee may require to carry out its functions.

FUNDING

SEC. 5. (a) DEPOSITS.—Notwithstanding any other provision of law, there shall be deposited in the fund:

(1) all fines and penalties derived from violations of the Federal fisheries laws or levied by the Federal Government against fishing vessels or their masters or owners; and

(2) an amount equivalent to 100 per centum of the gross receipts from duties collected under the customs laws on fisheries products, including, but not limited to, fish, shellfish, mollusks, crustacea, aquatic plants and animals, and any products thereof, including processed and manufactured products.

(b) EXPENDITURES.—Sums appropriated from the fund shall be made available until expended to cover the costs, as the Secretary may direct, of conserving, managing, protecting, and developing marine fisheries, including, but not limited to:

(1) activities under the Fish and Wildlife

Coordination Act, as amended (16 U.S.C. 661–666c), and with respect to those species for which the Secretary has jurisdiction under Reorganization Plan Numbered 4 of 1970, effective October 3, 1970;

(2) activities under the Fish and Wildlife Act of 1956 (16 U.S.C. 742(a)–754);

(3) the so-called Lacey Act (18 U.S.C. 43–44);

(4) such other legislation relating to the conservation, management, protection, and development of marine fisheries as may subsequently be enacted.

THE OLYMPIC SPORTS COMMISSION ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I have followed with great interest the numerous legislative proposals put forth in an effort to resolve this country's long-standing amateur sports conflicts. I have deliberately waited until many of the options were presented before outlining a position which, I believe, is a synthesis of the best elements of all proposals being considered. In developing this position, I have worked closely with Congressman BOB MATHIAS of California and with representatives of the President's Council on Physical Fitness and Sports.

THE PROBLEMS

The United States in recent years has endured some unnecessary failures in international amateur athletic competition. This has been due to the constant quarreling that characterizes our many amateur sports bodies. This constant bickering causes our athletes to be used as pawns in struggles among different jurisdictions; it causes our international relations and objectives to be damaged; and it has caused a decline in the participation base from which our athletes come.

There are many examples of our failures or near failures in international amateur athletic competition. Most recently, the United States lost the indoor international track and field meet with the Soviet Union. We lost because our best athletes were not there as a result of conflict among our amateur sport bodies. Many of us here in America understand why we lost, but do our Indonesian, Kenyan, or Venezuelan friends understand why? There is no reason why they should since they have no reason to understand the inexcusable domestic disputes in this country. But I am certain they wonder: "Just what is happening to American sports excellence?"

Last summer, the United States sent a swim team to the World Student Games in Moscow. At the very time our student athletes were competing in Moscow, the U.S. National Governing Federation for Swimming, the AAU, was conducting its national championships in which an athlete had to qualify in order to compete in the world championships in Belgrade the following month. Needless to say, we did not have our best teams in either competition.

Last spring, the International Federation for Basketball approved competition between the United States and Russia in this country. The U.S. governing body for basketball arranged for the competition and selected the athletes to play without consulting other jurisdictions from which the athletes came. The other jurisdictions ordered that their athletes could not play. It took a letter signed by 58 Senators to overturn that decision and let the athletes play. The behavior of all organizations involved was inexcusable.

A similar situation occurred in the controversy involving NCAA governed track athletes participating against the Russians at the March 1973 indoor meet in Richmond, Va. The two athletes who competed against collegiate dictates could have been barred from further collegiate competition and their schools could have been punished. In other words, track athletes could have been penalized for representing their country.

If the organizations governing the sports were representative to begin with, the situations would not have occurred. I am not criticizing any one organization but rather how they are organized to work together.

Most people, even many sportswriters, do not understand this problem. I know I did not understand it until I conducted painstaking research into the area.

PAST INITIATIVES

In the winter of 1961–62, President Kennedy asked Gen. Douglas MacArthur to arbitrate an active dispute between the AAU and the NCAA in track and field. Because General MacArthur concerned himself only with track and field and not with other sports or with the overall organizational problems, only a temporary moratorium through 1964 Olympic games resulted. After the 1964 Olympics, the controversy flared up again.

Accordingly, in 1965, the Senate Commerce Committee held hearings—still concerning track and field only—which resulted in the appointment by then Vice President HUBERT HUMPHREY of the Theodore Kheel Arbitration Board. Again the real organizational and voting control problems were not addressed and, again, no lasting solutions resulted.

During this period the USOC contracted with the management consulting firm of Arthur D. Little to conduct a management improvement study of the USOC. This study did not attempt to resolve these organizations and voting control problems, although Arthur D. Little's report does stress their importance:

* * * we have not attempted to deal extensively with the massive problem of recommending a redistribution of the voting power among the 170-plus organizations which are members of the USOC. We do not mean to imply that such issues are not worthy of consideration, but only that our time and budgetary constraints forced us to be selective in dealing with issues and problems of high priority and most immediate relevance in addition to those which offer promise of early resolution and effective implementation . . .

A proposal to redistribute voting power should receive careful analysis and study since the problem is quite complex.

TODAY'S NEED

I am convinced beyond any doubt that these conflicts which plagued us in the 1960's and continue to plague us today are ones of overall organization, of which the AAU–NCAA conflict is only the most visible manifestation. No attempt, government or private, has ever been undertaken which focuses on the overall amateur sports problem in this country.

THE IOC

Let me outline the amateur sports organization in the world and then specifically in the United States to try to show the root causes for the conflicts which have plagued us for so long.

The International Olympic Committee (IOC), which is an international body analogous to the United Nations, is the body which presides over each of the Olympic games. Its voting membership is comprised of two delegates from countries who have broad based participation in the Olympics—such as the United States, Soviet Union, et cetera—or who have previously hosted the modern Olympics and one delegate from all other nations participating whose national Olympic committee has been recognized by the IOC. The IOC is self-perpetuating and its members can serve for life. The delegates to the IOC are not representatives of their respective countries' Olympic committees, but rather are delegates from that country only to the IOC.

The IOC's major role is to select the city for the Olympic games, work with the host country in planning the games, and conduct other administrative duties relating to each Olympic game. It is the only body which can recognize national Olympic committees. For all other technical arrangements of the games, such as the rules governing each sport, how each athletic event will be conducted, and so forth, the IOC defers to the international federation governing that sport.

The international federations, one of which has been organized for each sport, function independently of the IOC except at the time of the Olympic games. They have representatives from each country which participates in the sport on an international level. The international federation sanctions all competitions in its sport involving more than one country. For example, the International Federation for Track and Field must sanction track meets between the United States and the U.S.S.R. or between East and West Germany.

The international federation for each sport also determines the acceptability of world records and promotes their sport internationally. Importantly, only the international federation in each sport can recognize a particular domestic sports organization to be the representative in that country for international amateur athletic competition in that sport. As international federations, each works with the IOC.

THE USOC

The U.S. Olympic Committee (USOC) is the national Olympic committee for the United States and performs the same role for the United States as the IOC does on an international level, The domestic sports governing bodies govern all competitions involving competitors from more than one jurisdiction within the country, such as colleges, clubs, military, junior colleges, et cetera, but not competitions involving only one organization. That is, the U.S. Gymnastic Federation

would govern a competition involving both college and military athletes, but would not be concerned with the NCAA championships which include domestic athletes from only one jurisdiction, the NCAA. Each of the domestic sports governing bodies belongs to the USOC.

The organization of the USOC is one of the most complex and unwidely organizations of any private or public organization ever conceived. It is also set up so that one body, the AAU, has dominant control.

The USOC is divided into nine groups labeled A through I, and a board of directors—which elects the president and other officers—and an executive committee. Group A consists of the federations governing each of the Olympic sports—mentioned a second ago—and they number 27 with the AAU holding the franchise in a third. Group B consists of 19 sports organizations who generally hold national championships in one or more sports or are of a national constituency. The NCAA normally belongs to this group, but withdrew in protest following the Munich Games. Group C consists of 138 organizations in the United States not national in character but limited in their membership to some district or territory. Fifty-seven of these are local or State AAU's and this group also includes the various athletic conferences such as the Atlantic Coast Conference and the Eastern College Athletic Conference. Following the NCAA's lead, many of the conferences such as the PAC-Eight and the Big Eight and Big Ten also withdrew after Munich.

Group D consists of seven organizations who hold national championships in sports not on the Olympic program. Group E consists of 38 organizations of an "athletic, patriotic, educational, cultural, civic, or benevolent character" who support U.S. sports. Group F consists of all past living officers of the USOC. Group G consists of the two delegates who represent the United States—but not the USOC—on the IOC. Group H consists of up to 50 at large members including athletes, contributors, et cetera, who are selected by the board of directors. Finally, group I consists of current officers and full-time staff not included in groups A through H.

The board of directors is selected from among groups A through C. No one body—AAU, NCAA, et cetera—visibly controls the board and the board's primary role is to manage the affairs and business of the USOC as it may from time to time determine.

The executive committee is selected by the board of directors and discharges the functions of the Board on its behalf between meetings of the Board.

The prescribed voting structure is among the most complex and whimsical ever conceived. Votes are allocated in inexplicable fashion. However, two things are obvious: First, the AAU has dominant control of the USOC; and second, votes are allocated with complete imbalance. For example, in group C, the Alaskan AAU, certainly not a major producer of Olympic athletes, has the same number of votes as the Pacific Eight Conference—USC, UCLA, California, Stanford, Oregon, Oregon State, Washington, and Washington State—a major producer of Olympic athletes, assuming the PAC–8 were still a member.

Clearly, America's amateur sport bodies are not organized to work together. What is needed is an organizational study of the USOC and its member organizations as they relate to the USOC to include all the interrelationships of the many, many organizations which make up the U.S. Olympic Committee, the voting allocations which obtain to each, and so forth. Checks and balances must be built into the organizational structure so that no one organization may dictate to the others. This is the problem. Every conflict between the AAU–NCAA and any other conflict grows out of this overall organization problem. To further prove that the problem is not the AAU against NCAA, there is currently a sports conflict in judo which is between the AAU and the U.S. Judo Federation. The NCAA is not involved.

There are three reasons why the USOC is the proper vehicle with which to approach a solution to the problem:

First, the USOC is an all-encompassing umbrella organization made up of scores of amateur athletic groups as already mentioned.

Second, the confederation of organizations which comprise the USOC have a dual function. They function at the time of the Olympics to put together our teams but also between the Olympiads to put together our international teams for international competitions at every level of competition, restricted or open. Thus, both manifestations of the problem would be approached in one thrust.

Third, most important, the USOC has a Federal charter which can be amended, altered or revoked by the Congress.

THE OLYMPIC SPORTS COMMISSION

Accordingly, I introduce my bill, the Olympic Sports Commission Act of 1974 which establishes a temporary President's Commission on Olympic Sports. The Commission would consist of prominent Americans appointed by the President who have an interest in this problem but are not partisan representatives of any of the conflicting amateur sport organizations. The Commission would have a fixed term of 15 months. It would, and I quote from the bill:

(1) conduct a full and complete investigation, study, and evaluation of the United States Olympic Committee, its activities and its present and former membership groups on a sport-by-sport basis, as they relate to the effectiveness of the United States teams in international competitions in the Olympic sports;

(2) determine what factors impede or prevent or tend to impede or prevent the United States from fielding its best amateur athletes for participation in Olympic games and other international amateur sporting events in the Olympic sports;

(3) study methods for assuring adequate financial support for our Olympic Teams and other amateur athletic teams participating in international competitions in the Olympic sports; and

(4) investigate, study and evaluate any other related matters that have a direct bearing upon participation by amateur athletes of the United States in Olympic games and other international amateur sporting events in the Olympic sports, including development plans to increase the level of sports participation generally in the United States.

To assure that the sport-by-sport analysis fairly and completely addresses all issues and points of view, an advisory committee will be established in each sport to oversee the examination of each sport. Each advisory committee will be chaired by a member of the Commission and will have as members athletes, coaches and officials representative of the sport being analyzed.

The Commission would file its report on the organization and operation of the USOC at the end of the first 8 months.

I am fully aware that commissions, by themselves, do not have the power to implement their recommendations. However, the USOC Federal charter may be amended with a means to implement the Commission's recommendations. Congressman BOB MATHIAS of California has already introduced legislation to amend the USOC's charter to allow an independent binding arbiter to settle jurisdictional disputes on an on-going basis.

With the completion of the analysis of sports organizations, the Commission will focus its attention on Olympic development. In the next 5 months of the Commission's life, it will come up with a short-range plan for development for 1976 and a long-range plan for beyond 1976. The Commission will determine what has to be done to maximize the opportunities for our athletes to develop their skills to the fullest degree. The study will include an examination of ways to increase participation at all levels, financial considerations, facility needs, and the broadening role of women in sport. In this way, the newly constituted USOC will have a guideline from which to proceed. The final 2 months will be used to assist in implementing the Commission's proposals.

Many individuals and sports organizations support the approach taken in my bill.

Harold Connolly, four-time olympian and gold medal winner in the hammer throw polled the U.S. Olympic athletes after the 1972 summer games. Of the 63 responses, only one athlete felt that the USOC should not be restructured.

Also, the concept of a commission to restructure the USOC was endorsed in Senate Commerce Committee hearings in May and again in November of last year by many sports groups including the AAU, the NCAA, and even the USOC itself.

Although the bill I am introducing here has many similarities to S. 1018, a bill recently reported out of the Senate Commerce Committee and sponsored by Senator TUNNEY of California, the differences are important to note:

First, S. 1018 confines the investigation to the Olympic games, while the problems manifest themselves most commonly in international amateur athlete competition as well as in the games themselves. The investigation in my bill includes all international amateur athletic competition in the sports on the Olympic program.

Second, the studies to be conducted by the Commission in my bill are specified

to include an evaluation of the organization, representation and voting allocation of the U.S. Olympic Committee and its present and former membership groups as they relate to the USOC or as they interrelate concerning international competition in the Olympic sports. This evaluation will be conducted on an over-all basis as well as on a sport-by-sport basis.

Third, the Commission in my bill will additionally address the problem of the development of athletes at all skill levels in each sport including an evaluation of present and future facility and financial requirements for each sport.

Fourth, the number of Commission members is expanded to 27 from the 9 suggested in Senator TUNNEY's bill in order to assure adequate policy guidance in the sport-by-sport analysis of the problems. In addition, public awareness, so critical to solving these problems, will be enhanced through broader participation of Commission members.

There are many Members of this Congress who have participated in amateur athletics at one time or another during his or her life. Many more of us have children who are actively involved in sports at all levels. More importantly, however, virtually every American family experiences daily the joys and sorrows, trials and tribulations of a child in athletic competition.

Clearly one of the great spectacles to the human eye is that of athletes in competition. As ABC's Wide World of Sports so eloquently begins each week, we experience "the thrill of victory and the agony of defeat." The spectacle of athletic competition has literally become a time-honored tradition of the American people.

We must recognize, therefore, that the American people deserve to see a mechanism and organization and devotion, on the part of all involved, that will preserve and expand the opportunities available to all young Americans, men and women, to participate freely, without constrictions, and without threat or intimidation, in amateur athletics anywhere in the world.

The goal of this legislation to to facilitate the development of the kind of mechanism which will bring about the best environment for amateur sport possible. Indeed, we owe it to ourselves and to our children.

A copy of the bill follows:

H.R. 14938

A bill to create a President's Commission on Olympic Sports to evaluate and formulate recommendations concerning participation of the United States in the Olympic games and other international competition in the Olympic sports

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 "Olympic Sports Commission Act of 1974".

SEC. 2. The Congress hereby finds and declares that—

(1) serious problems have arisen in respect to the participation of teams representing the United States in the Olympic games and other international competition in the Olympic sports which have led to widespread and continuing criticism of certain aspects of the manner in which sports organizations in the United States administer its preparation for and participation in the competitions;

(2) the participation of the United States in the Olympic games and in other international competition in the Olympic sports has a substantial effect on the international affairs of the United States;

(3) an evaluation is required of the form of organization and the means by which the United States can participate most effectively in the Olympic games and other international competitions in the Olympic sports and provide leadership in accomplishing action to assure that future competitions will be organized and conducted in a manner which will contribute to the achievement of the high ideals of the Olympic movement and promote international friendship and good will through athletic competition between teams and individuals;

(4) the evaluation should be conducted as an organization study of the United States Olympic Committee (USOC) paying particular attention to the interrelationship of the many organizations comprising the USOC and the voting strength allocated to each because the USOC is the only organization which includes or has included every major amateur sports body in its membership and it is a federally chartered organization making it a legitimate area of governmental concern; and

(5) the establishment of a President's Commission on Olympic Sports would provide an effective means of conducting this evaluation and of determining constructive action toward accomplishing these goals and preparing specific legislative proposals which would command broad public support.

SEC. 3. There is hereby established a President's Commission on Olympic Sports (hereinafter referred to as "the Commission").

SEC. 4. The Commission shall be composed of twenty-seven members including not less than three amateur athletes who competed in at least one of the past three Olympic games, who shall be appointed by the President of the United States. In designating the members, the President shall give appropriate consideration to the representation of women and minority groups in the United States. No more than five members of the Commission at any one time shall be an officer or director, past or present, of the United States Olympic Committee, or of any other national athletic association, federation or union.

SEC. 5. The President shall designate a Chairman and a Vice-Chairman from among the members of the Commission. Any vacancy on the Commission shall not affect it powers and shall be promptly filled.

SEC. 6. The Commission shall:

(1) conduct a full and complete investigation, study, and evaluation of the United States Olympic Committee, its activities and its present and former membership groups on a sport-by-sport basis, as they relate to the effectiveness of the United States teams in international competitions in the Olympic sports;

(2) determine what factors impede or prevent or tend to impede or prevent the United States from fielding its best amateur athletes for participation in Olympic games and other international amateur sporting events in the Olympic sports;

(3) study methods for assuring adequate financial support for our Olympic Teams and other amateur athletic teams participating in international competitions in the Olympic sports; and

(4) investigate, study and evaluate any other related matters that have a direct bearing upon participation by amateur athletes of the United States in Olympic games and other international amateur sporting events in the Olympic sports, including development plans to increase the level of sports participation generally in the United States.

SEC. 7. The Commission shall submit two reports of its findings and recommendations to the President and to the Congress. The first report, on the organization and operation of the United States Olympic Committee and its member groups, shall be submitted eight months after all the members of the Commission have been appointed. The second report, on development plans for each sport for 1976 and beyond, shall be submitted after the next five months.

SEC. 8. Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals;

(3) hold such hearings, sit and act at such times and places, administer such oaths, and require the attendance and testimony of such witnesses and the production of such evidence including records and documents as the Commission or any subcommittee or any four of the members thereof may deem advisable; and

(4) appoint advisory committees comprised of appropriate athletes, coaches, officials and others to assure complete evaluation of all issues and points of view in each sport studied, and in other areas as he may deem advisable.

SEC. 9. Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Commission is further authorized to request from any public or private organization or agency and from the United States Olympic Committee any information deemed necessary to carry out its functions.

SEC. 10. Fifteen members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

SEC. 11. Members of the Commission and Advisory Committees shall receive $100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

SEC. 12. There is authorized to be appropriated to carry out the provisions of this Act, the sum of $1,200,000 to remain available until expended.

SEC. 13. The Commission shall cease to exist sixty days after the submission of its final report.

PUBLIC HOUSING IN AMERICA—PROMISE AND PERFORMANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 10 minutes.

Mr. TALCOTT. Mr. Speaker, the public housing program was established by the U.S. Housing Act of 1937 for the purpose of providing decent, safe, and sanitary dwellings for low-income families.

We have moved to meet our housing

needs across this Nation through local housing authorities. Today there are approximately 2,700 LHA's throughout the country, the vast majority of which are small.

Those who have studied our housing problem are aware of one central fact, we have accomplished many worthwhile things in our efforts to meet the housing needs of all Americans.

In less than 40 years we have built more public housing units than there are total units in the city of New York. As a nation we have committed massive amounts of our wealth and resources to achieving the goal of decent housing for all Americans.

What is equally important is that we have achieved this success economically. The fact is that the vast majority of local housing authorities have been able to operate financially sound operations through the years. More than half of all of the 2,700 LHA's in this country are able to do without any operating subsidy at all.

The facts clearly show that there is a direct connection between the size of the housing authority and its need for subsidy assistance. The larger the authority, the greater its subsidy need. In fact, of 1,139 LHA's receiving subsidy aid, 57 percent of all aid went to the 15 largest LHA's. These big city housing authorities, including New York City, Chicago, Philadelphia, Newark, and Washington, D.C., are receiving over $143 million annually in subsidy assistance, while an additional 1,423 local housing authorities across the Nation with 242,432 conventional housing units get along without a single cent of subsidy assistance.

There are many reasons why the large urban housing authorities are mismanaged, inefficient, and financially unsound. Many of these urban housing projects are old, and they generally house families who pay minimal rents. Oftentimes, these families are responsible for high maintenance costs, and also require expensive social services. Many of the large urban housing authorities are forced to provide their own security forces. They also suffer from high vacancy rates and unpaid rents.

In contrast, smaller suburban and rural housing authorities are able, year-in and year-out, to provide their tenants with decent housing while still remaining self-supporting. In rural projects, and those designed for the elderly, there is little need for other than routine maintenance, virtually no vandalism, little vacancy loss, and prompt rent payments. The smaller size of the housing authority itself also leads to more efficient operation since there is no need for a large and inefficient bureaucracy.

It has become obvious to all of us who are close to the housing program that some changes must be made to correct the problems we see. But these changes should be designed to correct old problems, not create new ones.

The Department of Housing and Urban Development is now in the process of revising the section 23 program, but I believe that in attempting to correct the deficiencies in the big city programs they have dealt a mortal blow to the hundreds of successful smalltown housing authorities.

Under the revised program the local housing authorities will be bypassed and responsibility for the operation and maintenance of the new projects will be with the builder-developer. This will undoubtedly lead to isolation and eventual destruction of the efficient LHA's serving hundreds of thousands of Americans in smaller towns and rural areas.

I objected to this plan when it was first proposed, and I still do not believe that it is the answer to the housing mess in the big cities. Like major surgery, it seems that the operation to save the diseased big city programs may be successful, but the patient, our overall housing program, may well die of shock.

There is a new omnibus housing bill currently before the House Committee on Banking and Currency and I will work to see that this entire problem is fully considered and better solutions developed.

The problems of the local housing authorities are so complex that there are no simple solutions. Let me outline several of the more pressing ones to show you what we face.

Starting in December of 1969 the Congress enacted a series of three amendments to the Housing Act of 1937. These amendments are generally known as the Brooke amendments.

The effect of these amendments was to limit and define what constituted income on which rent could be computed for tenants of public housing. The result of these Brooke amendments has been to limit rent to 25 percent of the tenant's income, but they have defined income in such a way that many tenants of public housing now have an "adjusted gross income" of zero.

The Brooke amendments also prevent public assistance agencies from reducing their contributions for rent. This contribution had usually been a specified amount established as rent by the State or agency, and the LHA. This amount, specified as rent, generally exceeded the 25-percent limitation.

Recently the staff of the House Committee on Appropriations indicated that passage of the Brooke amendments may be the most significant factor causing financial difficulties experienced by the LHA's. The Department of Housing and Urban Development has estimated that in 1973 total LHA rental income was reduced by about $172.7 million by implementation of the amendments.

These amendments changed a long-existing practice whereby LHA's were operated on a sound businesslike basis paying for operating expenses from rental income. This was accomplished primarily by established minimum rents depending on location and bedroom size of the units. However, the Brooke amendments established a 25-percent limitation and redefined family income, which resulted in significantly lower LHA revenues by making minimum rents ineffective. This has resulted in large numbers of public housing tenants who pay no rent at all. This non-payment of rent tends to destroy the incentive for these tenants to ever again pay rent. And what may be worse, it has a discouraging effect on the paying tenants when they discover their neighbors are receiving free housing.

I have long believed that a primary goal of our housing program should be to encourage each American to purchase his own home. The Government can do much to subsidize the individual by interest assistance and loan guarantees, but the investment of his own money in a home builds a special feeling of pride of possession. The property owner will generally go to great lengths to maintain his property and to improve it.

On the other hand, a housing program which is based on giving absolutely free housing is doomed to failure. The tenants will have no pride of ownership, they will have no feeling of participation. Instead of maintaining the property the tenants will tend to let it run down. And this failure of the tenants to take pride in the property must inevitably lead to higher maintenance costs, higher security costs, and higher administrative costs.

There is another problem caused by the Brooke amendments which places an unnecessary burden on the American taxpayer. Passage of the third Brooke amendment increased the incentives for welfare recipients to live in public housing because it created windfall gains to the recipients amounting to the difference between the rental allowance included in the welfare grant and the amount paid as rent to the LHA. For example, if a woman is receiving a monthly rental allowance from the aid to families with dependent children program of $60 per month, and her computed maximum rent due to the Brooke amendments was $25 per month, she has a windfall of $35.

It seems incomprehensible to me that Federal funds are paid to welfare families for housing, and that the local housing authorities which provide that housing cannot collect those funds which were provided for the sole purpose of paying rent. The Department of Housing and Urban Development has estimated that the implementation of the third Brooke amendment alone reduced the rental incomes of the local housing authorities by about $77 million in 1973.

While hundreds of small rural housing authorities have managed to provide decent housing at reasonable rentals to all who needed assistance, and operate above the break-even point, the housing program in the big cities is in serious trouble. On top of the financial woes of the Brooke amendments, there are other problems which add to the total cost of the program.

Security within the urban LHA's is more and more expensive, and more and more necessary. One LHA spends $206,000 annually for security, another included $130,000 in its budget in fiscal year 1974 because it felt that it was necessary to have supplemental security guard devices for the protection of property and tenants and to combat the problems of vandalism.

At one urban housing development, consisting of only four buildings, a detachment of 55 city policemen has provided vertical patrols within the high-rise buildings since 1970, at an annual cost to the city of about $900,000.

In 1972 officials of the Department of Housing and Urban Development estimated the potential magnitude for providing security funds at $25 per unit monthly. For the 113 largest local housing authorities security would cost about $35 million annually.

Overall, routine maintenance costs the LHA's $215 million each year. HUD officials estimate that vandalism costs amount to about $17.5 million a year. However, officials at two large urban housing authorities have recently estimated that vandalism accounts for about 50 percent of all maintenance costs performed in their projects.

Other problems which face the urban LHA's include collection and vacancy losses which run into millions each year. Some tenants seem to believe that they do not have to pay rent to live in public housing, and the delinquency rate, in some cases, has reached approximately 90 percent of the tenant population.

One urban housing authority has included $500,000 in its 1974 budget for "tenant organizations," which includes payment toward the salaries of officers and staff, expenses for travel to meetings, and baby-sitting. The officials of this LHA defend the item by saying that:

The expenditure is necessary to keep the peace!

How much does all of this cost? Well, by using the lowest estimates, we can say that vandalism will cost $17.5 million, rent lost from vacant units ran $13 million in 1970 alone, losses from rents not paid in 1972 amounted to $4.7 million, and providing for the security needs of only the 113 largest big city local housing authorities out of the total 2,700 would cost $35 million annually.

Those costs add up to over $70 million a year, and you and I and all of the other taxpayers will find ourselves forced to dig deeper into our pockets at tax time to pay them.

Do not misunderstand me, I have always supported our public housing program, and I still do. It has done a first rate job of meeting the needs of a large segment of our population. We have provided decent housing for millions of elderly and disadvantaged Americans. On the whole, our housing authorities have been operated in an efficient and businesslike manner, while still maintaining the compassion necessary to help those who are in need.

But we must do something now to end the waste, to end the mismanagement, to end the hidden subsidies which make it impossible for the urban housing authorities to operate without large annual losses.

We do not need to further regulate the smaller suburban and rural housing authorities, they are already operating efficiently. But I believe that the time has come for new and forceful Federal legislation to require all public housing tenants to pay a minimum rent which would be based on a reasonable percentage of the operations and maintenance costs of each public housing unit.

Such a minimum rent may be a financial hardship to some families. However, I believe that a minimum rent is necessary if the low-rent public housing program is to survive.

Any family that is paid to live in public housing and is not required to pay any rent, or pays a rent so low that it does not relate to the cost of maintaining the unit, can only be expected to exercise little care for the unit which will lead to increased expenses for the LHA and the taxpayer.

Conversely, if a tenant knows that the amount of rent he must pay is directly related to the actual costs of the ordinary operation and maintenance of the unit in which he lives, he is far more likely to maintain the unit, which could result in his paying lower rent and lower expenses for the LHA.

We in the Congress are carefully looking into these problem areas and hope to work out solutions to the difficulties facing the urban housing authorities. We have not lost sight of the original goal of the U.S. Housing Act. We still intend to do everything possible to provide decent, safe, and sanitary dwelling units for the low-income American family.

COURTS SUBCOMMITTEE SCHEDULES HEARINGS ON DISQUALIFICATION OF FEDERAL JUDGES AND ON BILL TO EXTEND FINAL DATE AND INCREASE APPROPRIATION OF COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice announces public hearings to begin at 10 a.m. on Friday, May 24, 1974, in room 2226, Rayburn House Office Building, on the following bills:

S. 1064, a bill to improve judicial machinery by amending title 28, United States Code, to broaden and clarify the grounds for judicial disqualification. This bill passed the Senate on October 4, 1973. It would amend section 455 of title 28, United States Code, by making the statutory grounds for disqualification of a judge in a particular case conform generally with the recently adopted Canon of the Code of Judicial Conduct which relates to disqualification of judges for bias, prejudice, or conflict of interest.

S. 3052, a bill to amend the act of October 13, 1972. This bill passed the Senate on March 26, 1974. It would extend the final date for the report of the Commission on Revision of the Federal Court Appellate System by 9 months and would increase the appropriation authorization of the Commission from $270,000 to $1 million. The subcommittee will hear testimony in support of S. 3052 from Hon. A. Leo Levin, Executive Director of the Commission.

NAZI WAR CRIMINALS IN THIS COUNTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN), is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, as a member of the Immigration Subcommittee of the Judiciary Committee, I have been dismayed to learn that there are some 70 alleged Nazi war criminals living in this country today. INS has taken no steps to deport or extradite any of these individuals.

The crimes these persons are alleged to have committed are perhaps unparalleled in the history of mankind. For the past 9 months, INS has been supposedly carrying on a special investigation of the alleged criminals living here. I have asked INS to furnish me with status reports on the investigation, and after reviewing those reports, I have concluded that the investigation is at best halfhearted and dilatory. Because of this, I have written a letter to Commissioner Chapman expressing my concern and asking him to take steps to remedy this situation.

The text of the letter follows:

WASHINGTON, D.C.
May 20, 1974.

Hon. LEONARD F. CHAPMAN, Jr.,
Commissioner, Immigration and Naturalization Service, Washington, D.C.

DEAR COMMISSIONER CHAPMAN: At the hearings conducted by the House Immigration Subcommittee on April 3, 1974, I expressed concern over the lack of aggressive action by INS in its current investigation of Nazi war criminals living in this country. In particular, I was disturbed that not only had INS failed to initiate proceedings against *any* reported war criminals, but it appeared that INS investigators had not interviewed even a single witness. I, therefore, requested that your office furnish me with materials on the progress of the investigation. After reviewing the status reports which your office sent me, I am sorry to say that my concern has in no way abated.

The INS has compiled a list of 73 reported Nazi war criminals. These persons are charged with crimes of overwhelming enormity and horror. Allegations include the murder of 800 Jews in a single night in the town of Chislovich (Russia), invention of methods of mass destruction, liquidation of 5,000 Jews in the town of Luboml (Ukraine), extermination of concentration camp inmates at Tartu (Estonia), incarceration and execution of 14,000 Jews at Rawa-Ruska (Ukraine), administration of S.S. mobile killing units as deputy to Ribbentrop, liquidation of the village of Audrini (Latvia) and supervision of slave labor shipments, commanding a Lithuanian S.S. unit, liquidation of Jews in Czerkassy (Ukraine) as member of the Gestapo, "medical" experimentation on concentration camp inmates, and so forth.

The enormity of these crimes cries out for vigorous and appropriate action. Yet, we find instead that during the past 25 years this country has become a haven for at least 73 alleged Nazi war criminals. Although last August, INS announced a "high priority" investigation of these alleged war criminals, almost a year has passed and virtually nothing has happened.

In stark contrast to the gravity of the problem, the INS status reports submitted to me reveal inaction, disorganization and lack of direction.

It is crystal clear that the Immigration Service can take immediate steps to deport certain Nazi war criminals living here and to revise and reorganize its investigation so that the remainder of these persons can be deported or extradited in the near future.

I have listed below the areas of my concern and recommendations for reorganization of the investigation. (I have also attached a memorandum setting forth the problems in greater detail.)

1. FAILURE TO DEPORT ANDRIJA ARTUKOVIC

Artukovic has been under an order of deportation since 1953 (21 years). He was Interior Minister of Croatia under the Nazis. Artukovic has been charged with ordering the deportation of untold thousands of Jews, gypsies, and Serbs to death camps and with actual participation in mass murders.

In 1959, INS stayed his deportation to Yugoslavia on the puzzling ground that he would be subject to "physical persecution" there. I am not now concerned with criticizing the action of INS in 1959. I am, however, deeply dismayed that at the present time the INS has not cancelled the order withholding his deportation. If INS has any qualms about deporting Artukovic to Yugoslavia, it has the power to deport him now to any country that will accept him. INS can also extradite him to West Germany under our treaty with that country. It is incredible that INS has not even contacted West Germany for purposes of deportation or extradition, and that it has failed to contact any other country for purposes of deportation.

I would strongly urge that INS take immediate steps to deport or extradite Andrija Artukovic.

2. FAILURE TO TAKE ACTION ON INDIVIDUALS WANTED BY THE WEST GERMAN GOVERNMENT

West Germany has advised the Service that some of the individuals on the INS list, including Joseph Matukas, the alleged former deputy police chief in Kovno, Lithuania, are wanted for war crimes. There is no explanation in the status reports for INS' failure to co-operate with West Germany in initiating extradition proceedings against persons living in this country who are wanted by the West German government.

3. UNEXPLAINED OR UNJUSTIFIABLE SUSPENSION OF INVESTIGATION IN AT LEAST FIVE CASES

Since last August, investigations of at least five individuals have been cancelled for unclear reasons and, in some cases, for no reason at all. One of these cases involves a doctor alleged to have participated in "medical" experiments on concentration camp inmates. Unless a satisfactory explanation is forthcoming, investigation of these persons should be reinstated immediately.

4. FAILURE TO COMMENCE ANY INVESTIGATION OF CERTAIN REPORTED WAR CRIMINALS

The names of at least three reported Nazi war criminals which have been supplied to INS do not appear on the list which INS furnished me. One of these is alleged to have participated in S.S. mobile killing unit operations in Eastern Europe. It is disturbing that not even an appearance of investigation has commenced with respect to these individuals.

5. FAILURE TO CONDUCT A VIGOROUS, RESULT-ORIENTED INVESTIGATION

The INS status reports reveal an appalling laxness and superficiality in the conduct of the investigations. The investigations never seem to get off the ground or lead to decisive results.

(a) In at least 14 separate cases, eyewitnesses whose names are available to INS have not been interviewed. Even in the widely and often publicized case of Bishop Valerian Trifa, alleged to have committed many atrocities as a member of the Iron Guard, INS had not interviewed a single witness as of May 7, 1974—even though at the April 3 oversight hearing I was assured that interviews with witnesses were imminent.

A similar pattern exists in the case of Boleslavs Maikovskis, who has been sentenced to death *in absentia* in Latvia for extermination of Jews and gypsies, participation in the liquidation of the village Audrini and shipment of slave labor. What has INS done? INS has not interviewed the eyewitness whose name was supplied last January. It has inexplicably cancelled a request to obtain conviction records in Latvia. In fact, Simon Weisenthal has supplied additional information, and yet Maikovskis is still at large. The failure to pursue this case vigorously has provoked demonstrations in Long Island by survivors of the Riga ghetto.

In a few of these cases, including those of Trifa and Maikovskis, the Service may already have sufficient information to warrant initiation of denaturalization, deportation or extradition proceedings. There appears, however, to be no procedure for evaluating information with a view toward such action.

(b) In 11 cases, INS investigators have apparently not obtained *any* information. In an additional 8 cases, no information has been obtained for several months. What is particularly disturbing is that in 6 of these 19 cases, names of witnesses are available to INS.

(c) In 9 cases, the *only* information obtained consists of the individuals' present state of health.

(d) No investigation is proceeding in 17 cases where the subjects remain "unidentified".

After almost a year, this record of inaction—given last August's announcement that a major effort was being made—is inexcusable.

6. FAILURE TO DEVELOP SYSTEMATIC CHECK OF SOURCES

(a) Contacts with the governments of countries where reported war crimes were committed—such as Poland, Rumania, Hungary, Yugoslavia and U.S.S.R. (for the Baltic countries)—is indispensable for bringing extradition proceedings and for obtaining documentation of criminal acts. Yet there is no indication that INS has initiated such contacts on a comprehensive, systematic basis.

(b) INS has failed to contact government and doument sources in Israel despite the massive amount of documentary and eyewitnesses evidence likely to be available in that country. Important sources of information in West Germany, New York (the YIVO Institute) and the National Archives remain untapped.

7. INEFFECTIVE ADMINISTRATION OF THE INVESTIGATION

Despite the "high-priority" nature of INS' investigation, its administration and conduct can only be described as haphazard, uncoordinated and unprofessional.

(a) No full-time personnel have been assigned to head the investigation. No experienced trial attorney has been assigned the task of guiding the process of investigation and setting priorities. Instead, the responsibility for this nationwide investigation has been placed in the hands of three part-time bureaucrats with neither the time nor expertise to give impetus and direction to it.

(b) Although INS has set up a control office in New York, many of the cases have been assigned to other district offices to pursue. Unfortunately, the dispersal of these cases has led to a diffusion of responsibility, a failure to contact all sources, delay while files get shuttled around the country, and investigation by inexperienced personnel.

(c) The status reports indicate haphazard methods of investigation and failure to follow up investigative leads. For example, survivors' groups who are contacted for information are not given the names of all the relevant cases being investigated. Requests for information and for foreign conviction records remain pending with no attempt to follow up. When the newspaper, which originally published most of the names and allegations under investigation, ceased operations, INS made no attempt to seek out the staff and files of the publication.

(d) The "high-priority" nature of this investigation has apparently not been communicated to the lower levels of the Service. The most frequent finding contained in reports from district offices is: "Subject in good health. Will continue further investigation." It seems that INS investigators are more anxious to ascertain the ill-health or death of a subject so that investigation can be dropped than to obtain substantive information.

The failure to produce any concrete results after 9 months of investigation is testimony to this mismanagement.

* * * * *

The conclusion is inescapable that if the current investigation continues on its present course—without setting priorities and developing systematic investigative methods—then the next 9 months will merely repeat the history of the last 25 years. It is intolerable that this country should remain a haven for people who have committed crimes such as these, and that except for the Braunsteiner-Ryan case, not one of these alleged Nazi war criminals has been deported or extradited.

After reviewing the status reports, I believe it is abundantly clear that the INS should—

Take steps to obtain the immediate deportation or extradition of Andrija Artukovic.

Schedule immediate interviews of all eyewitnesses.

Review the evidence in the cases of Bishop Valerian Trifa and Boleslavs Maikovskis to determine if deportation proceedings can appropriately be instituted.

Cooperate with West Germany on the extradition of all individuals wanted by that country for war crimes.

Reinstate any investigations which have been unjustifiably cancelled.

It also seems evident that the current administration of the investigation requires a substantial overhaul. Upon reflection, it seems to me that the following steps should be taken—

A special War Crimes Strike Force should be created within the Immigration Service with full responsibility for conducting the investigation and deportation of alleged Nazi war criminals.

A full-time lawyer who is an expert in the field and a full-time, top-level official with authority to direct and guide these investigations should be assigned to the Strike Force.

An adequate number of full-time personnel should be assigned to the Strike Force.

Priorities for the investigation should be established.

A specific timetable for each case should be established.

A systematic method for contacting all foreign and domestic sources, governmental and otherwise, should be developed.

It is incumbent on INS to demonstrate that it means business and is not simply spinning wheels. Mere talk of "continuing investigations" where they are likely to lead nowhere is a cruel hoax to the surviving victims of the Nazi holocaust. It adds an ironic and bitter postscript to this country's fight against the Nazis in World War II.

I have set forth my concerns at greater length in the attached memorandum. I have also asked for additional materials from INS which I hope will be furnished promptly. I am confident that you will understand the deep concern that has prompted me to write to you, and I look forward to working with you in any way that I can to correct this situation.

Sincerely,

ELIZABETH HOLTZMAN,
Member of Congress.

THE OIL AND GAS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, this morning I testified before the Budgeting and Management Subcommittee of the Senate Government Operations Committee on interlocking directorates in the oil and gas industry and the high incidence of insider concentration in the industry. I know a number of my colleagues are interested in this problem and I am, therefore, inserting in the RECORD a copy of my testimony as well as the three exhibits I placed in the hearing record:

TESTIMONY BY THE HONORABLE LES ASPIN, OF WISCONSIN, BEFORE THE SUBCOMMITTEE ON BUDGETING, MANAGEMENT, AND EXPENDITURES OF THE COMMITTEE ON GOVERNMENT OPERATIONS, MAY 1974

Mr. Chairman: I want to thank the members of both subcommittees for inviting me to testify on the problems of interlocking directorates in the oil and gas industry and the need for further financial disclosure of corporate information.

You are to be commended for undertaking these hearings to determine the extent of economic concentration in large financial institutions. I believe that the study you completed in January "Disclosure of Corporate Ownership" will prove to be one of the most valuable reference sources for those of us who are concerned about the disclosure of information in publicly owned corporations.

At this point I would like to make available for the record a computer report prepared for me by the Division of Corporation Finance of the Securities and Exchange Commission. As you can see it is rather large and represents the work product of a number of very capable individuals at the Commission. It is my hope that this study will help the Committee in its deliberations on corporate disclosure.

The information contained in this report is of two types. The first section lists the securities ownership history of over 3,500 corporate insiders representing 91 oil and gas companies. These individuals are stockholders who either have an employment relationship with the firm or own 5% or more of the outstanding stock.

The second part of the report contains nearly 8,000 individuals and 20,000 corporate entities. This section breaks down the oil industry by company and then lists all the officers and directors in each company and indicates what other outside directorships a particular officer or director may have. It is here that we find a very significant incidence of corporate interlocking.

A careful reading of this section also shows the progress of mergers and decline of the small independents as the industry has become more and more dominated by a few major companies.

When I released this study in January, I wrote to Attorney General Saxbe and asked him to investigate 19 oil and gas company directors who were listed in the SEC report as being on the board of two competing oil companies. I believe that these 19 directors may be in violation of the Clayton Act. As you know, the Clayton Act specifically outlaws interlocking directors and includes this key phrase:

"No person at the same time shall be director in any two or more corporations . . . if such corporations are or shall have been theretofore by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of the anti-trust laws."

If the Justice Department is still enforcing the Clayton Act, it is news to me. I still have not heard any word from the Department on whether they intend to investigate these 19 interlocking oil company directors. However, I understand that the Federal Power Commission has been sent the list of directors by the Justice Department, but in the best bureaucratic tradition the Power Commission is now sending the list back to the Justice Department.

This fast shuffle is even more deplorable when you realize what it means for the American consumer.

Through interlocking directors, behind-the scenes deals may be made between the companies that would eliminate competition, monopolize the market and increase prices for the final consumer.

I very much doubt the competitiveness of the oil and gas industry when we have the same men sitting on the boards of two competing companies. I can't imagine that they can be giving sound guidance and advice to one company when it may adversely affect the other. If we are to have an open and competitive market we should insure that the principals in the marketplace are independent of each other. This institutional collusion must be eliminated in order to break the control that a very few individuals may have over our future energy supplies.

Despite the potential seriousness of the situation, this administration appears to be unwilling to enforce the Clayton Act. Over nine months have passed since I first brought the interlocking director problem to the Justice Department's attention. I think it is about time the Department stopped dodging the question and acted in the public interest.

For the benefit of the Committee I would like to place into the record an abstract of the SEC report listing the 19 directors I have mentioned and the companies they are employed by.

I am also submitting for the Committee's use an extract of the securities holding information contained in the first section of the SEC printout which shows the leading "insider" stockholders of 14 major oil companies and their holdings. I believe you will find this material relevant as this may be the first time information of this type has been released publicly. Perhaps the most significant finding here is the large degree of insider control of several oil companies. Occidental, Sun Oil and Texaco appear to have the heaviest concentration of insider domination. According to the SEC's report, Dr. Armand Hammer, Chairman of Occidental Petroleum, is the largest inside stockholder among the major oil companies, with ownership of 1,066,000 of the over 60,000,000 outstanding shares of Occidental.

My recent experiences in this area point up the need for more complete corporate financial disclosure. We were very fortunate to have been able to work with the Securities and Exchange Commission in compiling this data. They produced a coherent profile of corporate ownership and control on very short notice.

For the most part, the information was up to date and accurate, reflecting the latest information available to the Commission. This is not to say that we shouldn't require more complete information—many large corporations—and in particular the major oil companies—have a substantial influence on our country and for this reason we should all be examining ways to legislate increased corporate disclosure.

Perhaps the Securities and Exchange Commission should require ownership reports of all shareholders who own 1% or more of the number of shares outstanding, instead of the present 5% requirement stipulated under the Williams Act. Business economists often state that less than 1% stock ownership may be all that is required to obtain effective control of a large industrial corporation.

For example, under the present system, we cannot determine the extent of the Rockefeller brothers holdings in Exxon because their aggregate amount constitutes less than 5% of the total. Because of this fact, they are not required to file any ownership information with the Commission. Although the Rockefeller family probably still exerts a degree of control over Exxon as their ownership is reported to be more than 1% (or 25 million shares), we have no official record of the influence they may bring to bear on the company.

Since ex-Governor Rockefeller is said to have Presidential ambitions, it might be a good idea to examine the family's holdings, especially when decision making over energy policy will be part of any future chief executive's agenda.

One of the lessons of Watergate should be that a very thorough examination must be made of a candidate's background and financial interests. I believe the Securities and Exchange Commission can go a long way toward this end by requiring more complete disclosure requirements for large stockholders.

It was through an SEC filing requirement that we learned that OMB Director Roy Ash had not sold all his Litton Industries stock last spring and was violating an explicit pledge to do so made to the Joint Economic Committee. The Commission, by asking Mr. Ash to divest himself of the securities, insured that a serious conflict of interest problem was avoided. It is this kind of vigilance that we are especially in need of if we are to restore the Amercian people's trust in government.

I believe the real problem is that the average Amreican cannot be informed in areas that have a substantial impact on his life. Because we do not have adequate information on corporate activity the taxpayer is at a disadvantage. Whether he is an investor, employee or just a consumer he must have facts on which to base his choices. Today the necessary information is not available and we all suffer because of it. Inadequate investment data, pension fund scandals, and higher gasoline prices are all the result of our lack of knowledge about critical corporate activity.

This committee has taken the lead in examining the circumstances surrounding this information gap. You have undertaken a large and very essential assignment that goes straight to the heart of how we organize our society.

Mr. Chairman, since I know you will be continuing your work in this important area, I hope you will ask Mr. Saxbe, the current Attorney General, who was formerly the ranking minority member of this subcommittee, about the status of those 19 interlocking directors. I think the matter deserves his attention.

I very much regret that I must now excuse myself. The Ceiling Amendment to the Defense Authorization Bill, which I am sponsoring is coming up on the floor of the House in a short while and I have to get back.

I hope that these brief remarks may have contributed something to your deliberations on the need for increased disclosures of industrial information.

EXHIBIT 1

INTERLOCKING OIL COMPANY DIRECTORS

Source: SEC Computer Search of Oil & Gas Executives

F. A. Calvert, Jr.: Halliburton Co., Director; Mapco, Inc., Director; Calvert Exploration, Chairman of the Board.

Edwin L. Cox: Sedco, Director; Plateau Natural Gas Co., Director; Edwin L. Cox Co., Owner.

Paul A. Conley: Pauley Petroleum Inc., Director; General American Oil Co., Director; Wilshire Oil Co. of Texas, Director.

J. B. Ladd: Ladd Petroleum Corp., Officer; KRM Petroleum Corp., Director.

J. B. Rankin, Jr.: McMoran Exploration Co., Director; Sundance Oil Company, Director.

T. B. Pickens, Jr.: Mesa Petroleum Co., Director; Wainco Oil Ltd., Director.

John Shaw, Jr.: Offshore Company, Officer and Director; Southern Natural Resources, Director.

Joseph A. Thomas: Halliburton Co., Director; Gerry Oil Company, Director.

Earl M. Jorgensen: Christiana Oil Corp., Director; Kerr-McGee Oil Industries, Inc.; Director.

Louis Marx, Jr., Pan Ocean Oil, Director; Marline Oil Corp., Director.

L. F. McCollum, Jr., Apco Oil Corp., Director; Rowan Drilling Co., Director.

Donald M. Kendall: Atlantic Richfield, Director; McCullouch Oil Corp., Former Director (Apr. 3, 1967–February 1972); Investors Diversified Services (Not listed in SEC report—information obtained from SEC and IDS officials.) Board Member, 4 Mutual Funds of which I.D.S. is an affiliate.

Clifford W. Michel: Cities Service Co., Director; Dome Petroleum Ltd., Director.

John B. M. Place: Marathon Oil Company, Director; Celanese Corporation, Director.

Toddie L. Wynne, Jr.: American Liberty Oil, President; New Zealand Petroleum Co. Ltd., Director.

George H. Bruce: Halliburton Co., Director; Western Oil Fields, Inc., Director.

Robert E. Aikman: Dorchester Exploration, Inc., President; Mana Resources Gas Exploration Fund, Chairman, Board.

Stephen A. Wells: Pyramid Petroleum Inc., Officer; Amarex Drilling Program, Officer.

Algur H. Meadows: Fargo Oils, Director; General American Oil Co. of Texas, Owner.

EXHIBIT 2

LEADING STOCKHOLDERS OF 14 MAJOR OIL COMPANIES

EXXON

Emilio Collado, Exec VP, 15,529 D, 1,297 I.

J. H. Galloway, VP, 15,881, 5,659.

J. K. Jamieson, Chairman, 19,347 D, 12,186 I.

M. A. Wright, Chief Executive Officer, 9,837 D, 7,122 I.

GULF

O. R. Dorsey, Pres. & Director, 21,722 D, 2,244 I.

Irion G. Davis, Exec. VP, 16,030 D.

James M. Walton, Dir. & Carnegie Lib., 27,204 D, 50,947 I.

ARCO

Robert O. Anderson, Chairman, 280,819 D, 141,166 I.

T. F. Bradshaw, President, 9,671 D, 5,105 I.

CONOCO

F. Paul Kendall, Jr., 51,196 D, 1,572 I.

L. F. McCollum, Chmn of Bd, 48,855 D.

John Corcoran, Director, 5,199 D, 12,591 I.

John G. McLean, Chief Exec Com., 9,847 D, 5,730 I.

CITGO—CITIES SERVICE CO.

Bam Foster, 1,600 D, 234,720 I.

Kirby E. Crenshaw, Director, 9,671 D, 5,015 I.

TEXACO

Earl of Granard, Director, 309,454 I.

Henry Upham Harris, Dir. & Chmn. of Bd. Harris & Upham, 40,119 D, 112,886 I.

Augustus C. Long, Dir., 142,571 D, 9,680 I.

Lester J. Norris, Dir., Chmn of Bd., State Bank of St. Charles, Ill., 233,720 D, 237,190 I.

George Parker Jr., Dir. and Atty., San Antonio, Tex, 140,473 D.

UNION OIL—CAL

William Henry Doheny, Dir. & Investments, 7,878 D, 148,599 I.

Charles Parker, Sr. VP, 16,000 D.

Arthur C. Stewart, Dir. & Investments, 23,073, 50,073.

ASHLAND OIL

Orin Atkins, President, 30,870 D, 6,872 I.

J. Robert Fisher, Director, 89,600.

Robert S. Reigeluth, Director, 52,736 D, 38,948 I, 88,232.

MOBIL

Albert L. Nickerson, Director, 23,400 D, 750 I.

Edward P. Fischer, Treas., 16,433 D.

Rawleigh Warner Jr., Chmn., 19,876 D.

William P. Tavoulaveas, Pres., 16,706 D.

James O. Riordan, Sr. VP, 16,044 D.

STANDARD OIL—INDIANA

Chester V. May, VP, 16,247 D, 162 I.

John E. Swearingen, Chmn., 38,160 D, 1,475 I.

George V. Myers, Ex VP, 16,893 D, 6,800 I.

Robert C. Gunness, President, 12,900 D, 3,900 I.

OCCIDENTAL

Dorman L. Commons, Sr., VP, 27,884 D, 2,120 I.

Donald E. Garrett, Ex. VP, 23,081 D, 1,315 I.

Dr. Armand Hammer, Chairman, Sub b Conv., 100,000 I; 1,066,208 D, 57,840 I.

PHILLIPS

Phillip M. Arnold, VP, 9,000 D, 8,472 I.

W. W. Keeler, Chmn., 23,192 D, 15,044 I.

SUN OIL

John G. Pew, 66,260 D, 22,459 I.

Pew Memorial Trust, 1,422,468 D.

Walter C. Pew, Director, 830,976 D, 13,357 I.

Robert G. Dunlop, Chmn., 34,105 D, 24,208 I.

Trustees, Pew Jr., 494,112 I.

TENNECO

NDP Carey, 45,914 D, 23,276 I.

Simon Askin, Ex VP 18,175 D, 2,144 I.

N. W. Freeman, Chmn Bd., 59,462 D, 2,500 I.

Roy S. Nelson, 82,397 D, 9,380 I.

Henry A. Harris, Dir., & Pres., Harris, Upham & Co., 20,491 I.

EXHIBIT 3

OUTSTANDING SHARES IN 14 MAJOR OIL COMPANIES

ASHLAND OIL, INC.

	As of Sept. 30, 1973		Per share	
	Number of outstanding shares	Carrying amount (thousands)	Carrying amount	Liquidation value
Convertible preferred:				
$2.40 series, 1966	575,135	$34,508	$60.00	$62.40
$5.00 series, 1969	526,596	1,053	2.00	105.00
$2.40 series, 1970	1,466,500	2,200	1.50	50.00
$5.00 series, 1970	92,383	185	2.00	105.00
Total, preferred	2,660,614	37,946		
Common	22,831,336	22,831	1.00	
Total, preferred and common		60,777		

COMPANY, DESCRIPTION, DATE, AND NUMBER OF OUTSTANDING SHARES

Atlantic Richfield: Cumulative Preferred Stock, Series B, September 30, 1973, 352,000; $3.00 Cumulative Convertible, Preferred, 1,494,154; $2.80 Cumulative Convertible, Preferred, 12,020,649; Common Stock, 46,531,306.

Cities Service: Common Stock, February 1, 1974, 26,091,992; Preferred Stock, December 31, 1973, None.

Continental Oil: Common Stock, March 16, 1973, 50,076,553; Preferred Stock, March 16, 1973, 657,851.

Exxon: Capital Stock, $7.00 par value per share, March 1, 1974, (Authorized 250,000,000 shs.), 23,883,236, shs. plus an additional 2,719,020 Held in Treasury.

Gulf Oil: Preferred Stock, March 1, 1974, None; Common Stock, 194,651,710 shs.

Mobil Oil Corporation: Capital Stock, September 30, 1973, 101,852,538 shs.; Debt: Short term notes and loans, $317,790,000; Long term, $1,190,865,000.

Tenneco, Inc.: Preferred Stock, par value $100, Shares Authorized (4,000,750), Less

Tenneco, Inc.: Preferred Stock, par value $100, December 31, 1973, 1,993,750; Shares Authorized (4,000,750), Less Shares held for sinking fund, 43,976; total 1,949,774.

Second preferred stock, par value $100, Shares Authorized (2,000,000), 505,630; Preference stock, no par value, Shares Authorized, (10,000,000) 3,988,700; Less: shares held in treasury, 215,823; total, 3,772,877.

Common stock, par value $5, Shares Authorized, (150,000,000), 68,608,778; Less: shares held in treasury, 373,921; Total, 68,234,857.

Texaco, Inc.: December 31, 1973, Common Stock, par value $6.25, 274,285,270; less Treasury stock outstanding, 2,389,343; Total, 271,895,927; Preferred Stock, None.

Union Oil Company of California: September 30, 1973, Common Stock, 28,387,255; Preferred Stock, 9,621,449; Debt: bonds, debentures, etc., $591,057,000; convertible subordinated debentures $612,000.

Occidental Petroleum: $8.00 Non-convertible, Preferred, September 30, 1973, 175,000; $4.00 Convertible Preferred, 1,249,323; $3.60 Convertible Preferred, 3,265,388; $2.16 Convertible Preferred, 548,445; Common Stock, 55,670,215.

Phillips Petroleum: Common Stock (100,000,000 authorized) September 30, 1973, 76,261,836; Less Treasury stock, 592,640; Total, 75,669,196; Preferred Stock, None.

Standard Oil of Indiana: Common Stock, January 31, 1974, 69,878,023; Preferred Stock, None.

Sun Oil Company: Common Stock, $1 par, September 30, 1973, 35,243,645; Preferred Stock, 2.25 Cumulative, 16,279,526; Convertible, par value $1 per share.

NOTE.—Each share of Sun Oil Company Preferred Stock is convertible at option of holder into 0.804 of a share of common stock of Sun.

MITCHELL HOUSING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 60 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, as you know, I have introduced in the House of Representatives H.R. 13985, a bill to expand and improve the Nation's public housing program. I introduced this bill because of indications during the Banking and Currency Committee's Housing Subcommittee markup that the subcommittee was going to report out a bill that would not address itself realistically to the housing problems of low-income families. After carefully reading the bill that was reported out, H.R. 14490, I found that my worst fears had been realized.

The bill before the Banking and Currency Committee then, is wholly unsatisfactory. It is a cynically cruel bill that I see as an outright attack on the poor. It would destroy the Brooke amendment, it neglects rural housing needs, and its emphasis throughout is to exclude rather than include low-income citizens in public housing. There are other problems that I have with the bill, but I leave other criticisms to my colleagues.

I would like to concentrate briefly on the minimum requirements that I see as necessary for my yea vote on the public

housing provisions of this bill. I cannot in good conscience support the complete bill if these basic requirements are not met.

First, it is imperative that we provide more than 450,000 additional units during 1974 and 1975. My bill authorizes an additional 750,000 units. I would hope then, that the final authorization be closer to my figure than the subcommittee figure. So that we might be clear on this matter, even my 750,000 figure is below what is actually needed. But it is closer to what we can reasonably provide, and I am therefore stressing an authorization closer to the higher figure.

Second, it is important that public housing serve those families that need it the most. My bill, therefore, requires that public housing serve families at the very bottom of the income scale. The bill does this by providing that at least 20 percent of those admitted to public housing have incomes below 20 percent of the median income of the area, and at least half would have to have incomes below 50 percent of the median. Any definition of income eligibility would have to be based upon such figures as provided in my bill or we are simply excluding people from housing who really need it, and there is no way that the subcommittee can rationalize doing anything less.

Third, it is extremely important that we make clear the responsibility of the Federal Government to house our Nation's citizens as legislated by this Congress in its Housing Acts of 1937, 1949, 1969, 1970, and 1971 by retaining the Brooke amendment that provides a maximum rent for public housing tenants of 25 percent of adjusted income. The subcommittee bill introduces minimum rents for conventional public housing. These rents would be set at 30 percent of the operating cost of the unit. The Brooke amendment would be changed so that housing authorities could charge either 25 percent of income or the amount of the welfare allowance allocated for housing, whichever is higher. In other words, the subcommittee bill requires very poor people to pay relatively more than those with somewhat higher incomes. This type of legislation runs counter to what this Congress has legislated in the past by making public housing no longer based upon need, but upon the ability of the tenant to pay as much as can be milked out of him.

Fourth, it is important that, having established a need and responsibility, we be able to respond to that need wherever it might be. I have already suggested a higher authorization of units as one way of responding. Let me also suggest, as it is stated in my bill, that local public approval requirements are not positive in effect, and have prevented the construction of public housing in many jurisdictions and severely limited site selection in others. My bill would end it, providing in return that public housing projects would pay full local property taxes.

These, then, are the minimum requirements that I see as necessary for my voting a housing bill out of the Banking and Currency Committee. Anything less, and those rights to decent and sanitary housing for all Americans that many of us have fought strenuously in the past for are doomed, as a result of the insensitivity that has been shown in the subcommittee bill.

I would like at this point to turn things over to my colleagues.

TAX EXPERTS CITE NEED FOR REPEAL OF DISC TAX LOOPHOLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the Domestic International Sales Corporation (DISC), is an extravagant, wasteful, counterproductive loophole in our tax code. Testimony before the House Ways and Means Committee today indicated that the cost of DISC was running two and a half times the original Treasury estimates. The 1975 Treasury loss is now estimated at $740,000,000.

Testifying before the Ways and Means Committee panel hearings last year, former Treasury Assistant Tax Legislative Counsel, Stanford G. Ross, addressed himself to the DISC legislation:

> But there is one area that I think I would like to bring to your attention and that is that the DISC law and regulations as enacted are violative of every tax rule which sound practice and good administration has ever instituted in the foreign area.
>
> These rules permit paper companies to engage in sham transactions. Their arbitrary inter-company pricing rules permit normal domestic manufacturing income to be treated as export income available for the special subsidization.
>
> They encourage the use of tax haven companies in conjunction with DISC to multiply the available benefits . . . the tax laws are not a reasonable and efficient mechanism for artifically encouraging exports.

The basic premise that the DISC is a stimulus to greater exports is dubious. Mr. Ross continues:

> With rare exceptions most companies utilizing the DISC provisions have existing export operations and that the DISC is stimulating greater exports very marginally, if at all . . . We are sacrificing government revenues with no demonstration of offsetting benefits for the American economy.

DISC creates another very negative economic phenomenon. The tax deferred profits accrued by DISC may be used in establishing a foreign sales subsidiary. The company then can move its production operations abroad and continue to use the services of the sales subsidiary which was created through the tax-deferred profits. Again, in last year's tax reform hearings, Peggy Musgrave, professor of economics at Northeastern University, refers to this phenomenon:

> The DISC legislation may in fact do more to expedite foreign production by U.S. corporations than to stimulate exports of U.S. produced goods.

Professor Musgrave continues:

> The DISC provision is an inefficient form of tax incentive to exports and introduces further loopholes in the tax laws. It should be repealed as the taxation of operations abroad is tightened and as the devaluation of the dollar renders such export incentives redundant.

In terms of commodity shortages, the DISC is anything but a stabilizing influence. Vitally important and increasingly scarce commodities have been given enormous incentive for export through the DISC. The inconsistency is glaring between, on the one hand, the stimulus we have created for export, while on the other hand acknowledging the vital necessity of conserving our domestic resources. University of California (Berkeley) Law Prof. Lawrence Stone commented in the 1973 Ways and Means Committee hearings:

> To exaggerate, it seems possible to me to have American companies . . . import all of their oil from abroad and to export all the U.S. oil and on the exchange get the benefits of DISC. . . . The DISC should be repealed before it becomes too permanent a feature of our tax landscape.

Moreover, DISC results in artificially lowered prices for scarce commodities, thereby encouraging their export.

Theoretically, DISC is a stimulus to competition aiding small business' export interests. However, it is a glaring fact of life that DISC is a tool of the powerful. A mere 6.6 percent of DISC gross receipts were accounted for by corporations with assets under $100 million. Clearly big business is DISC's almost exclusive beneficiary. The most lucrative industries are those receiving the tax subsidization.

The diverting of tax revenues and reduction of domestic supplies makes DISC a blatant, inflationary tax loophole. In short, DISC is a classic tax loophole, benefitting very few while exploiting very many. By 1975, DISC will absorb $740 million from the public Treasury. The DISC tax gimmick is an unnecessary tax evil that must be repealed.

ELEANOR ROOSEVELT: 90TH ANNIVERSARY OF HER BIRTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, today I have the privilege of introducing a joint resolution that would designate October 10, 1974, as the "90th Commemorative of Eleanor Roosevelt's Birth" and making Hunter College of the City University of New York the site of the official national ceremony.

There is no need to list the accomplishments of Eleanor Roosevelt. There is no need to speak of her dedication to the establishment of social justice for all and world peace. There can be no measure of the effect she had on so many individual lives and on our collective spirit.

But the Congress can commemorate her achievements and can, by passing this resolution, mark in some small way the anniversary of her birth 90 years ago this coming October.

Hunter College has assumed the responsibility of marking this important date with planned activities involving her family and many noted Roosevelt scholars. Hunter College is undertaking this activity for a variety of reasons but primarily because it has custodial care of the Sara Delano Roosevelt House which was the Roosevelt family house in New York City.

Mr. Speaker, Hunter College is my alma mater and one of my fondest memories is of participating as student body president in the dedication of the "new" building in 1940. The memory is an especially fond one because representing the Roosevelt administration, which through the WPA program had built the building, was Eleanor Roosevelt.

The passage of this resolution will be some small recognition of the life and work of Eleanor Roosevelt.

GAO ANALYSIS CASTS DOUBT ON PENTAGON "BOOKKEEPING CHANGE" GIVING $266 MILLION MORE TO SOUTH VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, on May 17, the General Accounting Office transmitted to a number of congressional offices, including my own, an interim report on proposed Department of Defense "bookkeeping changes" which would have had the effect of making an additional $266 million in military assistance available to the South Vietnamese Government during the current fiscal year. This interim report was the result of requests initially made to GAO by Congressman ROBERT LEGGETT, and myself.

The GAO report indicates that the proposed $266 million bookkeeping change "presents substantial factual and conceptual questions." While GAO stresses its review is "very preliminary," the information contained in the report suggests the possibility of a coordinated effort by the Department of Defense to manufacture statistics, mislead the Congress, skirt statutory restrictions on military aid to South Vietnam, and, via a bit of budgetary legerdemain, finesse another $266 million to the Saigon regime of President Thieu.

On April 3, 1974, Secretary of Defense James Schlesinger wrote to the Armed Services Committees of the House and Senate. His letter, which appeared in the CONGRESSIONAL RECORD of April 10, sets forth the DOD argument that $266 million then credited against the fiscal 1974 ceiling of $1.126 billion actually represented "Army ammunition delivered from stock in prior years." The Department of Defense has further claimed that the $266 million should be entirely subtracted from the fiscal 1974 ceiling, since it represents a replenishment—or "payback"—for deliveries of Army munitions to Vietnam during prior fiscal years. DOD argues that none of the $266 million had been credited against the ceilings of 1972 and 1973.

Had Congress accepted this proposal, the backdoor effect would have been to increase aid to South Vietnam by $266 million, over the month and a half remaining in the current fiscal year. While the Senate Armed Services Committee recommended approval of the proposed accounting change, fortunately, on May 6, the Senate adopted an amendment offered by Senator KENNEDY which has the effect of denying the Pentagon use of the $266 million.

The preliminary GAO report casts strong doubt on virtually every facet of the Pentagon's attempt at loophole-building. Here are the basic Pentagon claims and countervailing GAO contentions:

First. The Pentagon now claims that the ammunition deliveries should not be credited against the MASF ceiling, because the "payback" does not represent actual obligations, only a replenishment of Army stocks. GAO suggests, however, that "including the ammunition payback under MASF seems consistent with DOD's general practices," and further notes that if MASF were not to include ammunition payback, this "would mean that $266 million of ammunition support actually furnished to Vietnam would never be reported under MASF." The result would be a loophole in the statutory ceiling on aid to Vietnam big enough to drive hundreds of ammo trucks through—at a cost of U.S. taxpayers running to hundreds of millions of dollars.

Second. DOD now claims that the entire $266 million in ammunition payback has been charged against the current, fiscal 1974 ceiling. Thus, accepting the Pentagon's logic, Congress would deduct the $266 million from the current ceiling, leaving that amount as allowable additional aid to President Thieu. The General Accounting Office does not support this claim. The preliminary report notes:

> Army officials said that they cannot support the statement that the full $266 million was charged against the 1974 ceiling.

In fact, the GAO study indicates:

> Most of the $266 million representing the payback was actually reported as a charge against the MASF ceiling for fiscal 1973.

The Army, it appears, has been charging ammunition deliveries against the MASF ceiling all along. Only the Office of the Secretary of Defense, it seems, contends that none of the $266 million was charged prior to the 1974 fiscal year.

What this means is that the Pentagon is trying to deduct the entire $266 million from the fiscal 1974 ceiling, when, as a matter of fact, according to GAO interviews with Army officials:

> Less than half of this $266 million was actually chargeable to or reported against the 1974 ceiling.

Using the same statistical estimating procedures practiced by the Army, the GAO finds that 60 percent of the $266 million payback was charged against the 1973 MASF ceiling. Contradicting Secretary Schlesinger's claim, GAO says:

> The most that could be justified as a subtraction from charges already reported against the 1974 ceiling is a amount less than half of $266 million.

A major unanswered question here concerns the factual accuracy of the Pentagon's and Secretary Schlesinger's claims and why these claims differ from the views of Army officials, who when interviewed by GAO, suggest an apparent "misunderstanding by DOD officials" of data submitted them by the Army, as justification for the errors contained in Secretary Schlesinger's April 3 letter to the Congress.

I am concerned, frankly, that this "misunderstanding" was just a convenient way for the Department of Defense to hoodwink Congress into gutting the force of its ceiling on aid to Vietnam, and pumping another quarter billion dollars to President Thieu.

Third. For each of the last 3 fiscal years, Congress has set statutory ceilings on aid to South Vietnam under MASF. The GAO analysis suggests that using the Pentagon's rationale would result in aid exceeding the statutory ceiling of 1973 by "more than $100 million."

If we accept the Army's practices, it appears that a major portion of the $266 million worth of ammunition deliveries have already been credited against the fiscal 1973 MASF ceiling. In this case, there is no danger that the ceiling will have been exceeded. It is when we use the approach advocated by the Pentagon, and Secretary Schlesinger in his April 3 letter, that the possibility arises that aid exceeded the statutory ceiling.

As GAO points out:

> The most serious problem in terms of prior year ceilings seems to arise under DOD's present position that it has treated the payback as subject to MASF, but at the same time that it has reported the full $266 million for 1974.

GAO's use of the Pentagon's own accounting procedures suggests that about 60 percent of the $266 million—or $160 million—was actually obligated in fiscal 1973 and thus should be charged against the 1973 ceiling.

Charging this $160 million against the 1973 ceiling would cause aid obligated in that year to exceed the statutory limit by more than $137 million. GAO notes:

> Most of the $266 million should have been charged and reported under the 1973 ceiling. If this was not, in fact, done, charges against the 1973 ceiling were understated by more than $133 million; and an adjustment to correct the 1973 figures would cause the 1973 ceiling to be exceeded by more than $100 million.

If we are to accept the DOD position, then it is likely that the statutory 1973 ceiling of $2.735 billion was exceeded in GAO's words, by "more than $100 million."

Mr. Speaker, I do not know whether this episode of accounting slight-of-hand is the result of an honest and unintended mistake, or a deliberate effort to mislead Congress and skirt the intent, and letter, of the law restricting military aid to South Vietnam. In any case, it is absolutely clear to me that the Pentagon's proposal to use the "book-keeping change" to make the full $266 million available to South Vietnam in 1974 is in error, and should not be approved. First, the preponderance of evidence suggests that more than half of this $266 million has already been charged against the ceiling of fiscal 1973, and we should not allow it to be charged twice. Second, there is no reason whatsoever to allow the Department of Defense to avoid the intent of the congressionally mandated limitation on aid to South Vietnam by not counting munitions deliveries against the MASF ceiling.

What concerns me most, Mr. Speaker, is the wide discrepancy between what the GAO reports to be the Army side of this story, and what DOD's official position has been as a matter of public

record. If we accept the DOD position, DOD will have committed an apparent violation of the law by exceeding the statutory ceiling on 1973 aid by more than $100 million.

Perhaps the remaining questions about DOD's misperformance with the $266 million will be answered by the final GAO report, which I hope to be forthcoming. It seems to me, however, in light of the serious factual and conceptual questions raised by the GAO analysis, that Congress should not allow the Department of Defense to deduct the $266 million from the fiscal 1974 ceiling, thus making additional aid in this amount available to South Vietnam before June 30, 1974. The House conferees now considering the supplemental military procurement authorization should accept language in the Senate bill banning the use of the $266 million.

Mr. Speaker, at this point I would like to insert in the RECORD the text of my April 29 letter to Comptroller General Elmer B. Staats, as well as the text of the preliminary GAO analysis, and the GAO letter of transmittal:

APRIL 29, 1974.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: It is my understanding that my colleague, Congressman Robert Leggett, has requested that the General Accounting Office conduct an investigation into the claim of the Department of Defense that authority for an additional $266 million in military aid to South Vietnam exists for fiscal 1974 due to an "accounting error" made by the Department.

I would like to indicate my support for such an inquiry, as well as to suggest certain matters which I believe should be included in the GAO study. I also wish to stress the urgency of this matter. As you may know, the House is now scheduled to consider the military procurement authorization legislation for fiscal 1975 within the next two weeks. The results of the GAO inquiry into the alleged $266 million "accounting error" would have the greatest utility if available prior to consideration of this legislation by the whole House.

Apparently, the Department of Defense claims that it has authority remaining for an additional $266 million in military assistance, notwithstanding the statutory ceilings set on aid under the MASF program, because ammunition delivered during the 1972 and 1973 fiscal years was, because of delays in the accounting process, not applied against the statutory ceiling until fiscal 1974. The Department argues that since the material in question was done earlier, it should not be applied against the FY '74 ceiling.

A number of questions are raised by this matter which I believe the GAO should consider as part of its inquiry:

First, would approval and obligation of the additional $266 million cause the total aid delivered under the MASF program to exceed the combined ceilings set by statute for fiscal years 1972, 1973, and 1974, and if so, by how much?

Second, is the statement of facts as offered by the Department of Defense in support of its claim of an "accounting error" essentially accurate?

Third, if the statements of the Department are shown to be accurate, is it a proper procedure to allow for back-dating of the $266 million against prior year obligational authority?

Fourth, would application of the $266 million in question have the result of causing total aid under MASF to exceed the statutory ceilings for any one of the previous years?

Fifth, what does the GAO study reveal about weaknesses in the Department's accounting practices, and in what ways might these weaknesses, if any are shown to exist, be remedied?

I realize, of course, that the urgency of this matter may make it difficult for the GAO to conduct as exhaustive an inquiry as might otherwise be desirable. Nevertheless, I hope that to the extent feasible the questions I have raised will be incorporated into the inquiry. I trust that I will be kept informed of all information and reports, as appropriately developed, during the course of the inquiry.

Should your staff wish any elaboration upon my request, please have them contact either my Administrative Assistant, Rod Smith, or my Legislative Assistant, Bob Metzger, at 225–8020.

Thank you very much for your cooperation in this matter.

Yours sincerely,

MICHAEL J. HARRINGTON.

WASHINGTON, D.C., *May 17, 1974.*

HON. MICHAEL J. HARRINGTON,
House of Representatives.

DEAR MR. HARRINGTON: Reference is made to your letter of April 29, 1974, which requests our analysis of several questions concerning a proposed change in Department of Defense bookkeeping procedures under the Military Assistance Service Funded (MASF) program which would free an additional $266 million in obligational authority for application to MASF support during fiscal year 1974. As you point out, we are presently reviewing this matter at the request of Congressman Robert L. Leggett.

In accordance with our discussion with Congressman Leggett on May 2, which was attended by Mr. Robert Metzger of your staff, we have prepared a preliminary analysis of the proposed bookkeeping change, a copy of which is enclosed herewith.

As noted in the analysis, our work on this matter is preliminary at the present time. The information presented in our analysis is based largely upon interviews with Department of Defense and Department of the Army officials, and has not yet been verified or documented. Accordingly, our analysis is quite tentative. However, we recognize the important bearing which this matter has upon legislation now being actively considered by the Congress. In view of the importance of this matter, and in accordance with the May 2 discussion, we are sharing our preliminary analysis with other interested Members of Congress and congressional committees.

We plan to continue our review of this matter and to report further at a later date.

Sincerely yours,

R. F. KITTER,
Acting Comptroller General of the United States.

PRELIMINARY GENERAL ACCOUNTING OFFICE ANALYSIS OF PROPOSED CHANGE IN BOOKKEEPING PROCEDURES WHICH WOULD PERMIT AN ADDITIONAL $266 MILLION IN MILITARY ASSISTANCE SERVICE FUNDED (MASF) OBLIGATIONS FOR FISCAL YEAR 1974

In response to several congressional requests, the General Accounting Office is currently reviewing the recently proposed change in Department of Defense (DOD) bookkeeping procedures which would free an additional $266 million in obligational authority for application during fiscal year 1974 under the Military Assistance Service Funded (MASF) program.

Our work to date has been limited to interviews with DOD and Department of the Army (Army) officials, and preliminary review of the information and positions presented to us by these officials without documentary verification. We are now attempting to obtain documents and records in order to verify information provided in our interviews and to resolve apparent inconsistencies and ambiguities in such information. Because of time constraints, our review is presently at an initial stage. However since this matter has an important bearing upon legislation now being actively considered by the Congress, we have been asked to submit this preliminary analysis.

The proposed bookkeeping change is to subtract from charges already reported against the MASF ceiling for fiscal year 1974 $266 million which represents a replenishment of, or "payback" to, Army stocks for prior ammunition deliveries to Vietnam. This change would have the effect of permitting an additional $266 million of obligational authority now available to DOD to be applied for MASF uses during the current fiscal year.

This proposed change is based upon two major premises: first, that the ammunition payback should not be considered subject to the MASF ceiling; and second, that the full $266 million representing this payback has in fact already been reported as a charge against the 1974 ceiling. However, according to information provided to us by Army officials, most of the $266 million representing the payback was actually reported as a charge against the MASF ceiling for fiscal year 1973. If this information is correct, subtraction of the full $266 million from charges against the 1974 ceiling would not seem to be justified even assuming that the payback should be excluded from MASF.

THE $266 MILLION PAYBACK

MASF was established in fiscal year 1966 to provide a single, integrated system, including programming, budgeting and funding, for the combined support of United States, South Vietnamese, and other Free World forces operating in Southeast Asia. The essential effect of MASF is to provide through regular DOD appropriations that portion of what would otherwise be military assistance appropriations for use in Southeast Asia. As in the past several years, the DOD authorization and appropriation acts for fiscal year 1974 impose a ceiling on MASF support from appropriations available to DOD. DOD is required to make quarterly reports to the Congress on the estimated value of MASF support furnished from such appropriations. The ceiling for fiscal year 1974 is $1.126 billion.

In connection with the 1974 supplemental authorization bill, DOD requested an increase in the current ceiling. The House of Representatives rejected this request, as did the Senate Committee on Armed Services. However, in its report on the supplemental authorization bill, the Senate Committee suggested a change in bookkeeping procedures which would permit obligation of an additional $266 million during the current fiscal year. The Committee's report, S. Rept. No. 93–781, at 32, explained the proposed change as follows:

"Review of the MASF program indicates that the Department of Defense has used a statistical basis for reporting obligations to Congress for the ammunition program. This statistical computation does not relate to actual obligations, consumption or deliveries and results in an overstatement of support actually provided to South Vietnam during fiscal year 1974 for the ammunition program. The obligations reported in the first quarter of fiscal year 1974 include an estimate of $266 million for ammunition for U.S. inventories to pay back items which were in fact delivered to South Vietnam in fiscal years 1972 and 1973.

"The $266 million should not have been included under the MASF limitation for FY 1974. The funds in fact have been obligated for accounting purposes in prior years, and the ammunition was delivered in prior fiscal years."

DOD's position on this matter was set forth in a letter dated April 3, 1974, from Secretary of Defense Schlesinger to the Chairman of the House Committee on Armed Services. This letter, which appears in the Congressional Record for April 10, 1974, at 10596, reads in part:

"As was indicated in our justification to the Congressional Committees, we were recording obligations against the [MASF] limitation applicable to both the $907.5 million of new FY 1974 funds as well as approximately $487.5 million of carryover balances. Included in these carryover balances was an amount of $266 million which represented a statistical charge of estimated obligations to the limitation on the basis of Army ammunition delivered from stock in prior years. This was consistent with our interpretation of the MASF authority and past practices in which the value of such 'pay back' has been charged to the ceiling to represent the replacement on the value of such deliveries.

"In its action on our FY 1974 MASF limitation, the Senate Armed Services Committee directed that a planned 'pay back' charge relating to certain helicopters which had been delivered earlier from Service stocks was not required. In expressing its opinion to the Conferees, the Department of Defense indicated that it could accept this position provided that it were generally understood as a governing groundrule. Subsequent determinations by Counsel indicated that this Congressional decision should be viewed as a specific exception to the interpretation of the MASF authority and with the past practice that such 'pay back' request to the Congress does, in fact, reflect the inclusion of the $266 million ammunition item as a charge to this year's ceiling.

"It must be emphasized that the Department has presented this year's program on the basis of the understandings which had been reached with respect to past practices. Should the Congress make a specific determination that the $266 million need not be charged to the ceiling, then this would, of course, be acceptable to the Department of Defense. However, in our view an increase in ceiling represents a more straight-forward presentation of the authority requested."

The foregoing materials indicate that during fiscal years 1972 and 1973 ammunition was delivered from existing Army stocks to Vietnam. Our initial review indicates that these deliveries were made from April to September of 1972. These deliveries were not reported as charges against the MASF ceilings in effect at the time they were made. In an amendment to its ammunition procurement budget for fiscal year 1973, the Army requested $221 million for increased support to Vietnam. We were advised by Army officials that this amount was needed to replenish or "pay back" Army stocks for the prior deliveries to Vietnam referred to above. The Congress appropriated $216 million of this amount. However, the $216 million figure was increased to the present $266 million in January 1973 by a DOD "program budget decision."

As noted previously, the MASF ceiling is expressed in terms of a limitation on the availability of DOD appropriations, and the law provides for reports of the estimated value of support furnished from such appropriations. Accordingly, DOD reports of estimated MASF ammunition support are based upon obligations of ammunition procurement appropriations rather than deliveries of ammunition to Vietnam. Secretary Schlesinger's April 3 letter states that DOD's practice has been to report paybacks under MASF as representing the replacement value of deliveries from stock. His letter also indicates in effect that this practice will be continued unless and until the Congress makes a "specific determination" that the $266 million ammunition payback need not be charged to the ceiling.

Apparently the rationale for excluding this payback from the MASF ceiling is that since the payback will only replenish Army stocks, it does not of itself represent MASF support. Also, since the payback amount was obligated subsequent to the time when deliveries were made, reporting payback obligations against the ceiling would overstate MASF support for the fiscal years during which such obligations are incurred. Both of these observations are substantially correct at least in a technical sense; and whether the ammunition payback should be excluded from the MASF ceiling is essentially a policy question for the Congress in view of the present posture of this matter. We might point out, however, that including the ammunition payback under MASF seems consistent with DOD's general practices with respect to the reporting of MASF ammunition support. Also, unless reports of MASF ammunition support for prior years were to be changed retroactively, excluding this payback would mean that $266 million worth of ammunition support actually furnished to Vietnam would never be reported under MASF.

SUBTRACTION OF $266 MILLION FROM THE 1974 MASF CEILING

Assuming that the ammunition payback should be excluded from MASF, the question remains whether subtraction of the full $266 million from charges reported against the fiscal year 1974 MASF ceiling would be justified. Both the Senate Committee report and Secretary Schlesinger's April 3 letter state that the full $266 million payback was in fact reported as a charge against the 1974 ceiling. However, our preliminary interviews with Army officials indicate that less than half of this $266 million was actually chargeable to or reported against the 1974 ceiling.

Procurement contracts for ammunition do not specifically identify ammunition for MASF. Therefore, the Army uses a statistical estimating procedure to report that portion of ammunition procurement obligations which represents ammunition furnished under MASF. We were told that the percentage relationship between the total Army ammunition program and total obligations incurred against this program is applied to that portion of the program identified for MASF support. The resulting amount is charged to the MASF ceiling as estimated ammunition support. For example, if 75 percent of the total Army ammunition program is obligated, then 75 percent of the total amount identified for MASF support is charged to the MASF ceiling. This procedure is outlined in DOD Instruction 7700.16 and applies when a procurement contract includes equipment for both United States forces and Free World or local forces without identifying the specific users, as in the case of ammunition procurements.

The ammunition procurement appropriation is a multi-year fund, available for obligation over a three-year period. We were told that for the purpose of MASF reporting about 60 percent of the total fiscal year 1973 Army ammunition appropriation was considered to have been obligated during fiscal year 1973. Therefore, using the statistical estimating procedures described above, about 60 percent of the $266 million ammunition payback would have been charged to the 1973 MASF ceiling. We were also advised by Army officials that these procedures were in fact applied in the present case. According to the Army officials, the statements in the Senate Committee report and Secretary Schlesinger's April 3 letter that the full $266 million payback was included in charges reported against the 1974 ceiling apparently result from a misunderstanding by DOD officials of data submitted to them by the Army. The Army officials said that they cannot support the statement that the full $266 million was charged against the 1974 ceiling.

If the information furnished to us by the Army officials is correct, the most that could be justified as a subtraction from charges already reported against the 1974 ceiling is an amount less than half of the $266 million.

EFFECT UPON PRIOR YEAR CEILINGS

We have been specifically requested to analyze the potential effects of implementation of the proposed bookkeeping change upon prior year MASF ceilings. According to DOD, the relevant figures for the prior fiscal years here involved—1972 and 1973—are as follows (stated in millions of dollars):

	Fiscal year 1973	*Fiscal year 1972*
MASF ceiling	2,735.0	2,700.0
Estimated obligations reported to the Congress	2,713.1	2,417.4
Difference	−21.9	−282.6

The effects on prior year ceilings in the present case would depend upon precisely what bookkeeping change is considered to be required and how the $266 million has already been charged.

Clearly the proposed bookkeeping change would exclude charges reported on the basis of the payback itself. As noted previously, one argument for exclusion of the payback is that the deliveries of ammunition to Vietnam actually took place in fiscal years 1972 and 1973. However, it is not clear whether the proposal is simply to exclude the payback charges, or whether it is proposed at the same time to retroactively adjust prior year charges to include the ammunition deliveries. The latter approach would be in effect to recompute the $266 million charges on the basis of deliveries rather than payback obligations.

If the only change is to exclude charges already reported on the basis of payback obligations, no significant effects upon prior year ceilings would result. Under this alternative, if the full $266 million has in fact been reported as a 1974 charge, it would merely be subtracted from charges against the 1974 ceiling. Accordingly, prior year charges would not be affected in any way. If, on the other hand, most of the $266 million was reported against the 1973 ceiling and less than half was reported for 1974—as the Army officials advised us—then only the lesser amount could be subtracted from 1974 charges. At the same time, most of the $266 million could in theory be subtracted from 1973 charges. The latter adjustment would, however, merely increase the present $21.9 million "cushion" under the 1973 ceiling, and would have significance only with respect to any other adjustments which might be necessary for fiscal year 1973.

If the proposal is to recompute the $266 million charges on a delivery basis and if the full $266 million was actually reported for 1974, the entire amount would have to be retroactively added to charges against the 1972 and 1973 ceilings. As noted previously, it appears that the deliveries were made from April to September of 1972, i.e., three months each in fiscal years 1972 and 1973. Assuming that the deliveries could be allocated evenly, $133 million would be added to charges reported for each of these fiscal years. The present 1972 cushion of $282.6 million could accommodate a $133 million increase; but the $21.9 million 1973 cushion could not. In short, implementation of this alternative would result in creating an excess over the 1973 MASF ceiling unless almost the entire $266 million amount could be allocated to fiscal year 1972. However, this problem would in all likelihood not arise if most of the $266 million has in fact already been reported as a 1973 charge.

Finally, it should be pointed out that the most serious problem in terms of prior year ceilings seems to arise under DOD's present

position that it has treated the payback as subject to MASF, but at the same time that it has reported the full $266 million for 1974. As noted previously, the information provided to us with respect to the derivation of the payback and the manner in which it should have been treated for MASF purposes indicates that most of the $266 million should have been charged and reported under the 1973 ceiling. If this was not in fact done, charges against the 1973 ceiling were understated by more than $133 million; and an adjustment to correct the 1973 figures would cause the 1973 ceiling to be exceeded by more than $100 million. This problem would, of course, become moot if the payback is excluded from MASF.

SUMMARY

For the reasons stated herein, it appears that the proposed $266 million bookkeeping change presents substantial factual and conceptual questions. However, it must again be emphasized that our review and analysis are very preliminary at the present time.

CUBAN GOLD AIDED U.S. FREEDOM

(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, a recent issue of El Matancero Libre, a bilingual publication in Miami, brought to the attention of its readers an article which appeared on July 2, 1962, in the New York World Telegram & Sun, recounting the generous aid our colonial ancestors received from the people of Cuba during our fight for independence.

The editors of El Matancero Libre point out that the historical irony noted by the World Telegram writer more than a decade ago still holds. We are still not fully aware of the unity of the fight for freedom which was recognized by our American compatriots in liberty in the 18th century; we still have people in our country who do not realize that Cuba's cause is freedom's cause and therefore the cause of all the freedom-loving peoples of the United States and of this hemisphere.

Commenting on the article, El Matancero Libre said:

Today when Cuba's freedom runs through its worst risks, we want these facts to serve as reminders as prone of a solidarity offered to this country by cubans in order that North Americans could achieve their independence. Let those historical facts become a stop to all those Executives and Legislators who can influence today any long term or permanent decision.

It must be understood that if only part of the cuban citizens are now in exile it is due to the impossibility to leave the island due to tight emigration rules and security measures. A good example of the abhorrence of the cuban people towards the totalitarian regime were the Freedom Flights, today canceled. Another good example is found in the cuban jails hosting thousands of citizens in the most cruel and somber conditions.

A country that has had no opportunity in 15 years of captivity to let its true feelings show, can only be heard by those who make it to a land of freedom. Those people who have been humiliated and repressed for 15 years, today more than ever claim for real continental solidarity and not for a literary expression or a weak "friendly" attitude. Those people deserve from their neighboring allies at least part of the same unlimited support offered to Castro by the Russians who have violated all types of continental treaties.

Even in the economic when during World War I with sugar at a value of more than $22, Cuba preferred selling it to the U.S. at $5 only, with a difference in price of $17. In any of those harvest seasons, Cuba let go by more than one thousand million dollars, interpreting likewise the sacrifices bestowed on men and countries by the concepts of friendship and allegiance.

This is the reason why we bring about this "Historical Irony" with the legitimate intention of trying to awaken the concience of many apathetic or indifferent people that never seem to understand that Cuba's cause must be America's cause, because in its solution lies the image or attitude that could be left of our supposedly continental reserves before the people governed today. We want this historical parallel in both languages to reach all those influential elements now and that it will be let known inclusive by the thousands of professors teaching abroad and that today more than ever have a chance to become crusaders for freedom and liberty of the Cuban people.

The historical parallel to which El Matancero Libre refers is evident in the following text of the article from the New York World Telegram and Sun:

HISTORIC IRONY: CUBAN GOLD AIDED U.S. FREEDOM

This Fourth of July recalls a little known footnote to the history of freedom—the time Cuba helped the bankrupt American states win independence from the British. Without that aid, the Americans quite possibly would not have been able to celebrate their independence.

And thereby hangs a tale of irony.

Today's Cuban government has sent 60 hostages to the United States to collect ransom for 1118 freedom fighters held by Castro. But 181 years ago this month, another government in Cuba sent the equivalent of several million dollars to pay for food and wages for George Washington's troops.

It was a gift, not a loan.

In the summer of 1781, the American forces were hardpressed by military defeat and blockade by the British.

British ships blockaded the coast from Maine to Georgia; British armies threatened to cut the country into three parts.

Washington, in desperation, begged for help from his ally—France. He needed ships, men and, above all, money with which to pay his disgruntled and dispirited soldiery.

The French sent Adm. de Grasse with a large fleet and 3000 men to challenge the British navy in Cheapeake Bay. And France asked its ally, Spain to contribute money.

Arrangements were made for a frigate to run the blockade from Havana, and the citizens of that town (numbering 100,000) and the outlying districts gathered their treasure for the offering.

Jewels, necklaces, pendants, earrings were donated by the rich ladies of the city. Swaggering Spanish freebooters, still smarting from the sack of Havana by the British in 1761, turned in their loot—bolts of silk, gold brocade, bars of yellow gold, and exotic spices.

Priests threw golden candelabra, gilted chains, silvered christening basins onto the pyramids of goods already piled high on every square and plaza of Havana. Gentlemen parted with gold and silver snuffboxes, sword handles and heads of walking sticks.

The middleclass, not to be outdone, emptied their warehouses and shops of antiques, gilt picture frames, gold buckles and bracelets and family heirlooms. Even the poorest classes contributed—a baby's silver spoon here, a little girl's ring there, a beautiful lace shawl which had been kept for a wedding present.

Historians tell that a vast sum was collected and converted into gold. Samuel Eliot Morison estimates $240,000. Sir Henry Clinton, the British general who fought against the colonies, in his memoirs, "The American Rebellion," states that "the hard money . . . *in a very short time* . . . was reported to me to be half a million dollars."

Considering the fact that gold today is worth $3 an ounce, and that bullion-bars then weighed 70 pounds, it is most likely that all estimates were modest. In terms of today's buying power, the gift must have been the equivalent of several million dollars.

In September, 1781, the French fleet clobbered the British in Chesapeake Bay. Washington's army, now well provisioned with Cuba gold, defeated Cornwallis at Yorktown, and the war was over.

Today, the situations are reversed. The Cubans who fought to overthrow Castro are being held for "fines" totaling $62 million. And Americans are being asked to help rescue them.

Funds are being collected by the Cuban Families Committee for Liberation of Prisoners of War Inc., 527 Madison Ave. A spokesman for the committee, recalling the Cuban contribution 181 years ago, quoted a later Cuban patriot, Jose Marti, as a thought for this Fourth of July:

"To witness a crime in silence is to commit it."

STUDENT ASSOCIATION CITED

(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, amidst the current dichotomy in the field of education, that is, academics versus vocational training, we find an interesting blend of the two in several of our own institutions of higher learning. This combination plus the spirit of international exchange and cooperation add up to the International Association of Students in Economics and Commerce—AIESEC. The University of Miami chapter has been named one of the four top chapters, along with the University of Alabama, my own esteemed alma mater, Brown University, and Yale University, in recognition of its special project.

The University of Miami chapter was cited for its trade missions program. Miami businessmen went to Panama and Jamaica on trips planned and executed by the 40 AIESEC students at the University of Miami. The students researched the countries' economy, customs, and industry to discover which products were best imported or exported; then they researched the Miami area to find a market for their products. Presently, the AIESEC plans to invite Latin American businessmen to Miami for a reciprocal trade mission.

The citation of AIESEC appeared in the March-April issue of the World Trade Journal. I submit this article, Mr. Speaker, for insertion in the RECORD following my remarks.

AIESEC CITED

(By Dr. John M. Dyer)

The University of Miami Chapter of the International Association of Students in Economics and Commerce (AIESEC) has been named one of the four top chapters in the United States in recognition of its special projects.

The UM, University of Alabama, Brown University and Yale University were honored

from among a group of 60 chapters at the annual conference in Philadelphia.

Composed of 40 UM men and women, mainly business students, the UM chapter was cited for its unique and successful Trade Missions Program. Trips to Panama and Jamaica were planned and executed, taking Miami businessmen to those countries. The students researched the countries' economy, customs and industry to find out what products might best be imported or exported, then the Miami area was researched to find a market for those products.

The UM students arranged air transportation, informing participants of all travel information such as vaccinations and visa requirements, made hotel and meeting room arrangements, worked closely with consuls and embassies of the countries, did public relations and publicity for the missions, and aided participating businessmen with exhibition materials.

Nancy Rains of Fort Lauderdale, president of the UM chapter who is studying languages and marketing, said the missions were accomplished in close cooperation with the International Center in Coral Gables and the Board of International Trade. The students receive from 1 to 3 credits per semester for their work in MKT 599 (AIESEC) and write reports on their learning experience. The UM chapter is currently planning a reciprocal trade mission in which Latin American businessmen would come to Miami in 1974.

"AIESEC," said Miss Rains, "is a unique association of students working in cooperation with public and private enterprise toward a better world through the international exchange of ideas and business skills."

The UM chapter was recognized also for its internships program and for its work with South Florida firms to bring foreign students here from 8 weeks to 1½ years to work. UM students go overseas to get practical management experience in industry. The interns are paid for the work and most of them are offered fulltime jobs on graduation from the university.

Since AIESEC began in 1948, it has administered the exchange of more than 70,000 quality traineeships, and there are 54 member countries in the program.

The UM chapter is working toward a summer school training program for 1975 in which lectures and seminars would be held for businessmen from 15–20 firms, their foreign interns, and UM students in international marketing.

At present, the chapter invites Miami-area freight forwarders, international bankers, public relations people, airlines personnel and officials of the U.S. and Florida departments of commerce to lecture in the trade missions marketing classes.

Miami for the first time will host the annual AIESEC conference Dec. 26–31, 1974.

This past February the UM chapter cosponsored Business Week on campus, and next year will be in charge of the event's international section. AIESEC members are also donating volunteer time to work in international business situations at the International Center in Coral Gables and receive membership in the Center.

AIESEC students are also working to help organize the Governor's Conference on World Trade, sponsored by the Florida Department of Commerce and the Florida Council of International Development, May 23–24 at the Sheraton-Four Ambassadors Hotel.

CUBAN INDEPENDENCE DAY

(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, Cuban Independence Day, May 20, 1902, has become a day of rememberance for all of the peoples of the Western Hemisphere who value freedom.

The dream of independence from Spain was one shared by most of Latin America, and we in the United States became a participant through our efforts to assist the people of Cuba in their ultimately successful fight for their national independence and freedom.

Now we are acutely aware of that Cuban aspiration for freedom because it has been taken away. The bloody Castro regime has robbed the people of Cuba of their freedom; it has repressed their hard-won personal liberty and has delivered their island homeland to the domination of Soviet communism.

We should know, however, that the Cuban struggle for independence which began a century and a half ago has not been ended and cannot be repressed by the likes of Castro and his henchmen.

I am pleased to have in my district some of the finest sons and daughters of Cuba and I know from my personal experience that the fires of liberty burn brightly in their hearts and minds. They will not rest until their homeland is free. They are the legitimate sons and daughters of the fight for Cuban independence that dates back to the agitations of the Soles y Rayos de Bolivar in 1820.

They are the proud descendents of the courageous 1950 expedition of Gen. Narciso Lopez and of the 10-year war that began in 1868 with a handful of men at Yara.

Their hearts hold the spirit that inspired the great poet and patriot Jose Marti to declare that "the general happiness of a people rests on individual independence."

They are determined to rekindle the spark of hope that Jose Marti lighted in the hearts of their countrymen. They are determined to drive from Cuba the alien force that now dominates that beautiful island.

In 1869 the U.S. House of Representatives took the side of human freedom by adopting a resolution in sympathy with the Cuban people and their struggle for independence. During the Spanish-American War the United States helped Cuba win their independence from colonial rule and assisted the Cuban people in their first years of self-rule.

We have an obligation, I believe, to continue that tradition—to give our support to the aspiration of free Cubans to restore democracy and independence to their country. It is for this reason that I have introduced a resolution to endorse the Cuban Declaration of Freedom adopted by Cuban exiles in a convocation in Key West. It is for this reason that I have also urged the Congress to endorse my resolution calling upon our Government to formulate and declare a program aimed at eliminating the Castro dictatorship.

We have a moral obligation to support the aspiration for freedom of the Cuban people. It is also in our national interest to end the Communist intrusion into the Western Hemsphere. I urge my colleagues to give their support to the cause of freedom for the Cuban people and for all mankind.

HON. RICHARD A. PETTIGREW, ADDRESSES TIGER BAY CLUB

(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, on March 13 the Honorable Richard A. Pettigrew, former speaker of the Florida House of Representatives and now distinguished member of the Florida State Senate from Dade County and also a candidate for the Democratic nomination for the U.S. Senate, delivered a very able and challenging address to the Tiger Bay Club, an outstanding club for discussions of political and public interest. Mr. Pettigrew declared that—

The need is to reform the American political system to insulate it against being subverted and compromised by narrow special-interest groups more concerned with selfish ends than with the public's interest.

Toward that end he called for the end of secrecy in government, the end of reliance on the seniority system in Congress, requiring full financial disclosure by public officials and candidates, conflict of interest rules, firm control of lobbyists, and movement toward some form of public financing of Presidential and congressional campaigns, matching strictly regulated private contributions. Mr. Pettigrew is a thoughtful student of politics and government and what he has to say will be worthy of serious consideration by the Members of this House and Congress and all of the people of our country. I ask, therefore, Mr. Speaker that Senator Pettigrew's address may appear in the RECORD immediately following my remarks.

REMARKS BY SENATOR RICHARD A. PETTIGREW

The need is clear to reform the American political system to insulate it against being subverted and compromised by narrow special-interest groups more concerned with selfish ends than with the public's interest.

Because of their disproportionate influence, the political system has become partially paralyzed, and the public's interest is not being served.

There should be little argument, especially in the wake of Watergate and its related scandals, that we need to:

End secrecy in government,

End reliance on the archaic seniority system in Congress,

Require full financial disclosure by public officials and candidates,

Enforce strict conflict-of-interest rules,

Insist upon firm control of lobbyists and

Move toward some form of public financing of presidential and congressional campaigns, matching strictly regulated private contributions.

But, in addition to reforming the political system, we also need to do something about the kinds of people we elect to represent us in that system.

This really comes under the heading of keeping faith with one's constituents.

In an election year, such as this, you hear a lot of talk about "conservatives" and "liberals." As I go around the state of Florida, I discover that my principal opponents are agreed that they are the "conservatives" and that I am the "liberal" in the United States Senate race.

I also have discovered that in an election year a "liberal" is someone who disagrees with you, and I am only too happy to have my principal opponents drawing attention

to the fact that they disagree with me and I disagree with them.

But what really fascinates me about those candidates who try so hard to depict themselves as "conservatives" is this:

Where have all the conservatives gone—once they get elected to office?

If a candidate represents himself as a "conservative" and is elected as such, then I think the voters—even those who did not vote for him—have a right to expect him to perform as a conservative after election day.

Yet, what happens to those "conservative" politicians once they are in office?

Let's take some generally accepted conservative positions and see where the "conservative" politicians line up after being elected.

How about economy and efficiency in government? That's a conservative position if there ever was one.

In 1969, every serious student of Florida government had concluded that the best way of bringing about economy and efficiency in State government was to modernize and reorganize it and bring some business-like administration to the operations of government, which would include ending the proliferation of functions of some 200 bureaus and agencies.

As one who was responsible for pushing through such far-reaching governmental reorganization, which reduced the number of State Agencies from 200 to 23, I can tell you where the biggest opposition came from. It came from the "conservatives."

Even in that reorganization we had to make serious compromises in reorg..nizing the environmental-protection functions. So, in 1972, we made another effort, which again was killed by the "conservatives."

Now, in 1974, we are trying again. And guess where the main opposition is coming from. It is from the "conservatives" in the Legislature, with help from "conservative" allies on the Cabinet, who refuse to make any compromises on how a consolidated environmental agency shall be headed.

Those programs suffering most from failure to reorganize the environmental functions are the permitting process and the development of a consistent wetlands-protection policy. This is of great concern to developers and environmentalists alike. It should be among the top priorities in the upcoming legislative session.

How about law-and-order? Isn't that a conservative issue?

Just about every expert on crime in America is agreed that until we clean up the dreadful mess in our prison systems we are not going to put much of a dent into the level of crime in our society.

Many people think prison reform has to do with straightening out some correctional facility stuck off in the woods out of sight and out of mind.

What it really is all about is the safety of our families, our homes, our neighborhoods and our businesses. For our present prison system is not deterring crime. It is not reforming criminals.

Instead, it is the most efficient crime school we could devise. It is increasing crime, by recycling criminals.

More than nine out of 10 offenders who are sent into the corrections system are returned to society in less than four years. And 85 per cent of all reported serious crimes are committed by those prior offenders.

It is important that we end the costly and wasteful fragmentation of the system. It has local detention facilities under the control of sheriffs, whose main priority, understandably, is law enforcement and not corrections. It has probation and parole services being performed under a quasi-judicial body charged with the inconsistent functions of protecting society from premature release of prisoners and also their rehabilitation back into society. And it has a Division of Corrections which administers the institutional programs where both detention and rehabilitation are supposed to be carried out.

Unless we redesign the entire system we will continue to be unable to fix responsibility for failure or to improve inefficient and ineffective operation of programs designed to end the recycling process.

Yet, as the member of the Legislature who has taken the lead for prison reform, I want to tell you that the ones who are blocking such reform are the "conservatives" in the Legislature and in the executive branch of State government.

What about business-like practices in government? Isn't that a well-accepted conservative position?

And what is more central to sound business practices than good personnel policies?

But look what happens when the "Conservatives" on the Cabinet get together and hire a director for the Department of Natural Resources. They pick a man almost everyone in Florida agrees was the least-qualified applicant for the job.

If they were on the board of directors of an important business in Florida and pulled a stunt like that they would face a stockholders' revolt.

What about tax reform? That's another good conservative issue.

The big finance issue this session in Tallahassee will be how to provide genuine property tax relief to those who need it and are entitled to it.

The people who need such relief are those of moderate- and low-income households, those on fixed incomes and those who have been hurt most by galloping inflation of land values, rents and cost of living.

The least efficient and least effective way to bring meaningful relief is through a uniform two-mill rollback of school property taxes. It brings insignificant relief to those who need it most and brings relief primarily to businesses, industry and wealthier taxpayers.

There's an additional irony here, for the proposed rollback is a form of reverse federal revenue-sharing because half of the relief to businesses and industary will be absorbed by increased federal tax liability, since such local property taxation presently is deducted from federal taxes as a cost of doing business.

It is a windfall for Uncle Sam, not the people in Florida who need property tax relief.

Instead, what is needed is some form of "circuit-breaker" property tax relief for renters as well as property owners. This is the approach 21 other states have adopted. It is the approach recommended by our own Local Government Study Commission.

It rebates to those with excessive property tax burdens a portion of the property tax they, directly or indirectly, are paying. Such a rebate is related to a household's ability to pay.

The "circuit-breaker" approach brings meaningful relief to those we can justify receiving it and costs only half what the two-mill rollback would cost.

But who is trying to block this kind of genuine, effective and less-costly tax relief? You guessed it: the "conservatives" in the Legislature.

And what about integrity-in-government—probably the biggest of all conservative positions?

Take full disclosure. That's an accepted practice in business. Go to a bank and apply for a loan, and you are asked to make a full disclosure of your finances—and rightly so. That's sound business practice.

Why should our public officials be exempt from sound business practices? Why should we not be able to know all we need to know about them, just as a bank needs to know about us when we apply for a loan?

Take conflict of interest. Every sound business requires its employees to be loyal to it, not to be doing business with the competition on the side.

If it's good enough for business, why should we not have it in Government as well?

I have been among those in the legislature pushing for strong conflict-of-interest and full-disclosure legislation. The opponents have been mostly from the ranks of the "conservatives."

So, what I want to know is:

Where have all the "conservatives" gone?

Where are these "conservative" politicians when we need them?

I think the people of Florida are on to these self-styled "conservatives" this year. I think they are far less interested in labels of "conservative" or "liberal." I think what they are looking at this election year is the candidate, himself.

What they are looking for in a candidate is, above all else, somone they can believe in, someone who is willing to take political risks for the public good.

As one very conservative voter in North Florida told a friend of mine the other day:

"I'd rather vote for a man I know I can trust, even if I don't agree with him on every issue."

I have heard the same kind of talk from "liberals" and "middle-of-the-roaders."

That, I predict, is what this United States Senate campaign is going to be all about.

And that, I am confident, is how the people of Florida are going to say it on election day.

When they do speak, it won't be in a whisper. It will be a thunder you can hear from Key West right up through the peninsula—and all across this country.

WHO BEARS THE TAX BURDEN?

(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, a matter of grave concern to all of us is whether the tax system of this country is fair to all the people. I have long favored a revision of our tax structure so that we could be sure that all the people of this country are paying the burden of taxes equally, equitably, and fairly. A bit ago Mr. George F. Will reviewed in the Washington Post a recent book, "Who Bears the Tax Burden?" the authors of which are Joseph Pechman and Benjamin Okner. These authors point out that our tax system is not fair to all but levies a penalty on the poor. This should be the subject of not only the most vital concern but of immediate action on the part of the Congress and especially the House, in which tax legislation must originate under the Constitution.

I ask, therefore, Mr. Speaker, that the able review of this book and of this subject by Mr. Will appear in the RECORD following my remarks:

TAX SYSTEM LEVIES PENALTY ON POOR

(By George F. Will)

The U.S. tax system is more "proportional" than "progressive." The effective tax rates for the income classes that include 87 per cent of the population are about the same. These classes pay approximately a quarter of their income in taxes, a smaller portion is paid by the 10 per cent with incomes under $3,000 or the three per cent with incomes over $21,000.

This information is from a new book, "Who

Bears the Tax Burden?" The authors, economists Joseph Pechman and Benjamin Okner, document something that our intuition should suggest: the tax system of this middle class democracy treats the middle class leniently.

A tax is progressive if the ratio of tax to income rises as income rises. A tax is regressive if the ratio of tax to income declines as income rises. In a "proportional" tax system, like ours, the ratio of tax to income is approximately the same for the vast majority of taxpayers.

All personal income taxes, federal and state and local, are progressive in their revenue-raising features, their rates. But there is a lot more to the tax system than income taxes, and income taxes are not simply revenue-raising instruments.

The income tax law offers the taxpayer a deal. If he will use some of his income in specified ways—for example, as charitable contributions, or as interest payments on a home mortgage—then the government will reduce its revenue-raising bite.

Such provisions are "legislation by indirection." They reward, and thus encourage, uses of private income that the government thinks are in the public interest.

But such provisions, while promoting charity and home ownership, diminish the progressive effect of income taxes. Affluent people are able to respond to the lucrative options embodied in such provisions. But the lower one's income is, the smaller the portion of income left after one has made unavoidable expenditures.

These tax provisions have a cash value, but only to people with enough discretionary income to direct a flow of cash into the uses that the tax laws reward. Such provisions help you save money if, and only if, you have money. Thus the income tax laws are not as progressive in their effects as the official rates make them appear.

Sales taxes are regressive. The poorer one is, the larger the portion of income spent on unavoidable consumption. Last year state and local sales taxes generated more revenue ($19.7 billion) than state and local progressive income taxes ($15.6 billion).

In the South, where nearly half the nation's poor people live, the sales tax burden is higher than in any other region. There an urban family trying to subsist on $2,000 a year pays 12.3 per cent of its income on state sales, income and property taxes. But a family with an income of $25,000 pays only 5.9 per cent.

The Social Security payroll tax, a flat rate of 5.85 per cent on all earnings up to $13,200, is a "proportional" tax for everyone who earns no more than that, and is a regressive tax for all who earn more. It is harsh on people with poor and modest incomes.

The cumulative impact of the whole tax system is that very poor people pay high effective tax rates, primarily because of the regressive effects of Social Security, sales and property taxes, and because the poor do not have the discretionary income necessary to make use of the tax breaks the middle class uses.

The rich pay high effective rates—*if* corporation taxes are considered taxes on income earned from capital. But if one assumes that some of the corporate tax burden is passed on to consumers, then families with incomes of $1 million or more pay an effective tax rate not much higher than the middle class pays.

Envy, an unworthy motive, spurs demands for more "progressive" taxes on the rich. Compassion, a more civilized motive, suggests a better priority: a "negative income tax" to give poor people a cash value for the exemptions and deductions that only poor people are unable to use.

FAILURE OF PROTOTYPE OIL SHALE PROGRAM

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, on Tuesday, May 14, the fifth oil shale tract (W-a) was offered for lease under the Department of the Interior's prototype oil shale leasing program. No bids were received. The four previously offered tracts, two each in Colorado and Utah, did receive a substantial amount of interest from the private companies. This fifth tract, in which the oil shale deposits are both smaller and of a lower grade than those on the other tracts, was apparently not attractive enough to the burgeoning oil shale industry to elicit even a minimum bid.

The objectives of the prototype leasing program, as outlined by Secretary Rogers Morton include:

First. To provide a new source of energy to the Nation by stimulating the development of commercial oil shale technology by private industry;

Second. To insure the environmental integrity of the affected areas and at the same time to develop a full range of environmental safeguards and restoration techniques that will be incorporated into the planning of a mature oil shale industry should one develop;

Third. To permit an equitable return to all parties in the development of this public resource; and

Fourth. To develop management expertise in the leasing and supervision of oil shale development in order to provide the basis for future administrative procedures.

Secretary Morton has pointed out that:

> In weighing many alternative approaches to achieving those objectives, we concluded that two tracts in Colorado, two in Utah and two in Wyoming offered a balanced opportunity to adequately evaluate a number of technical options for oil shale development. If we are correct in our assessments, surface mining, underground mining, and in situ processing will all be used under this prototype program.

Unfortunately for all of us, the Secretary was evidently not correct in his assessments. In the Department's Announcement of the Prototype Oil Shale Lease Sales of November 28, 1973, tract W-a is listed as having an estimated recoverable oil shale reserve of 354 million tons. Tract W-b, which is to be offered on June 4, 1974, has an estimated reserve of 352 million tons. It seems likely therefore that, since there was no industry interest in tract W-a, there will not be any in W-b, which is slightly less valuable in terms of recoverable resources.

The Wyoming tracts, W-a and W-b were those which the Department indicated "had the potential for in situ development." The mining plans submitted by the successful bidders on tracts C-a, C-b and U-a indicate a strong preference for above ground retorting. The lessees of tract C-b have indicated that they will be using the TOSCO II above ground retorting process. The lessees of tract U-a have indicated a preference for either the TOSCO II process or the Paraho process, also an above ground retorting technique. The successful bidders for tract C-a have indicated that they are not sure which technique they will use. If they were to begin operations today, they would use the TOSCO II technology. However they state that they are reviewing the potential in-situ processing. It should be noted in this last case, however, that tract C-a is the one tract which is amenable to surface mining.

Therefore, there is a strong incentive to go with this method, especially in that there are indications that the Department of the Interior may be willing to set aside a further 6,500 acres for disposal of overburden and mine wastes. Thus, it now appears that in situ, a very promising method of extraction which may prove to be the most economical and environmentally acceptable method of any oil shale recovery technique, will not be tested under Interior's prototype program.

The failure of the prototype program to achieve its aim of evaluating alternative mining and processing technologies is a clear indication that the prototype leasing program should be stopped and other means sought for oil shale development.

On December 28, 1973, I introduced a bill, H.R. 12014, which would offer such an alternative. This legislation would establish a Federal Oil Shale Mining and Energy Corporation for development of oil shale located on public lands. The establishment of this public Corporation would have the effect of canceling the Department of the Interior's prototype oil shale program.

The Corporation would be instructed to give preference to non-nuclear in situ processing methodology, in cases where this is feasible. Since this technique avoids removing the raw shale from the ground, heating it instead in place and extracting the oil after the retorting process is completed, no construction of large aboveground facilities to process the oil shale is necessary. Also the problems of massive spent shale dumps filling up the canyons and gulches surrounding the mining area is avoided. It is estimated by Occidential Petroleum, one of the major proponents of in situ processing, that this technique will require only about 50 percent of the capital and operating expenses of mining and aboveground retorting

Our Nation must have an orderly approach to the development of Federal oil shale deposits which will serve the interests of the people of the United States. The Department of the Interior's prototype program has demonstrably failed to offer this kind of approach. The proponents of this program have relied upon the successful bidders to determine what mining techniques would be tested. They have repeatedly asserted that the site selection was such that all available

techniques would be tested at one site or another.

It is now apparent that their arguments are in error. This clear cut failure is only one of the many serious faults of the prototype program, which must now be abandoned. Other deficiencies of the Department of the Interior's program include:

First, a lack of sufficient environmental controls;

Second, a bidding system which gives a clear advantage to the larger, wealthier oil companies;

Third, unresolved questions regarding the allocation of additional lands adjacent to the proposed lease tracts for off-site dumping of spent shale;

Fourth, a lack of adequate return to the public for the use of its resources;

Fifth, a provision which would enable the lessee to deduct expenses incurred for "extraordinary environmental costs," amounting to a Federal subsidy to the successful bidders;

Sixth, a lack of stringent diligence requirements which could mean a lag in oil shale development for many years; and

Seventh, lack of adequate public review of the mining plan submitted by the lessee for approval by the Department of Interior.

In place of the prototype program, Congress should institute a Federal Corporation which would proceed with the development of oil shale in an expeditious, environmentally sound and economically feasible manner, with full assurance of a fair return to the American people for the necessary development of this public resource.

SURFACE MINING GROUND RULES

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, H.R. 11500, the Surface Mine Control and Reclamation Act, has been reported out by the Committee on Interior and Insular Affairs after months of intense debate. I am please to report it is a strong bill.

In a recent speech before the American Mining Congress Coal Convention in Pittsburgh, Pa., Assistant Secretary of the Interior Royston Hughes forecast national coal needs at close to 2 billion tons by 1985, almost triple the present annual rate of 600 million tons and requiring an annual production increase of 10 percent. In the perspective of this forecast, H.R. 11500 takes on added significance, because the environmental effects of mining coal at that rate of increase are bound to cause fearsome consequences without strict, consistent, and fair regulation. This is particularly true in the semiarid Northern Great Plains region where vast reserves of federally owned coal exist close to the surface, and in portions of the Southwest where there is less than 10 inches annual precipitation and reclamation is extraordinarily difficult. The preservation of thousands of acres of some of the Nation's best ranch and farmland is literally at stake.

Assistant Secretary Hughes, in discussing the coal leasing policy of the Department of Interior, and the energy minerals allocation recommendation system—EMARS—which is presently being developed to assist the Department in future coal leasing to meet national energy needs, has articulated very well what this bill will mean to the coal industry:

> We simply must have some long-range, workable ground rules on what will be permitted in the way of surface mining and under what conditions. The Administration is working hard to get a satisfactory law out of the Congress this session—as it has been trying to do for three years. Such a law is indispensable to any real expansion in Western coal mining activity—which in turn is essential to the production goals we seek.

I certainly welcome Mr. Hughes' straightforward recognition that the coal industry must have "long-range workable ground rules." It is precisely such ground rules which have been set forth in H.R. 11500. They are carefully designed to allow the expansion of surface mining for coal while at the same time protecting the rights of surface owners, guarding the lives and property of citizens living downstream from the mining site, and upholding the national interest in conserving our precious land and water resources for future generations.

Although I cannot agree with the contention that air quality standards should be revised to allow the burning of high-sulfur coal, as I believe there are other alternatives which deserve thorough examination before Congress takes such a drastic step, I have found Mr. Hughes' presentation both informative and provocative and therefore request permission to include it for the edification of my colleagues.

REMARKS OF ASSISTANT SECRETARY OF THE INTERIOR ROYSTON HUGHES

In this season of the year, with the fuel situation improving as it is, it's hard to sound a note of caution without people wondering where you left your sandwich board and black robe.

But I would like to submit that things are not really as good as they look. Nothing about our basic situation has changed, really. The noose is loose, for the time being, but it could be drawn tight again at a moment's notice. We are years away from significant increases in our own energy production. Our requirements continue to grow, and the tax-paid cost of our imported oil has quadrupled over the past year.

My thesis is that Project Independence is an absolutely crucial national objective—as essential as any we ever supported. It is as essential now as it ever was. It offers a program for slowing the trend of our increasing dependence on outside sources for energy, for reversing that trend, and finally eliminating our dependence altogether. The resources are here, in abundance. We shall be worse than foolish if we fail to develop and use them to secure our ability to survive, prosper, and grow in a world that is always competitive and frequently hostile.

Project Independence contains two basic requirements. We must increase our domestic supplies of energy, of all forms. We've heard quite a lot about that. But equally important, we must reduce the rate of our energy growth. We haven't heard much about that, but we will, we will. Project Independence is workable only in terms of a substantially lower growth rate in energy consumption than the 5% per annum we have seen since 1965.

We have only been able to sustain this rate at the cost of rapidly increasing dependence on foreign oil, and this is what we are trying to avoid.

The overall growth rate in energy use is the first problem we must deal with. The second problem is the existing balance in our consumption of the various forms of energy. We're going to have to do something about that, too. If we are to make ourselves self-sufficient in energy, there is no possible way that we can go on supplying 46% of our needs with oil and 32% with gas.

Inevitably, we are going to have to shift some of the burden off oil and gas and on to the more plentiful sources of energy: coal, oil shale, and nuclear fuels. I do not mean to say that we intend to let up on our efforts to develop our conventional oil and gas resources. We'll need every barrel of oil and every foot of gas we can produce—particularly between now and 1980. But every barrel of oil and every foot of gas we can produce will simply not be enough. We must bring coal to the forefront as the mainstay of our energy economy.

Our objective is to at least double and possibly triple the production and use of coal by 1985. This means going from the present base of 600 million tons a year to something close to 2 billion tons. This is our goal, our target. Whether we are able to reach it or not will be determined by what we do over the next eleven years. But we believe the goal is reachable, and we certainly intend to try. But to succeed in this objective we will have to expand coal production at an average rate of 19 percent a year between now and 1985.

This means large increases both in surface and underground production; both in the West and in the East. Every region and district will have to contribute if we are to meet the enormous requirements for coal production that we foresee.

This is no easy job, and you will need all the help you can get. I would like to talk now about some things the Federal government is doing to help restore King Coal to his former position.

The key requirement is access: access to the coal resource itself, and access to the improved technology needed to mine it, move it, process it, and use it. I would like to talk about the coal resource first.

The Federal government owns about 40 percent of the Nation's coal reserves. Nearly all of this coal is west of the Mississippi River, most of it is low sulfur in content, and a lot of it is under somebody else's land. None of this troubled anybody until the scramble for low-sulfur fuels began a few years ago. Although some 15 billion tons of reserves had been leased over the years, production from these leases was small. As late as 1970 it only came to a little over 7 million tons a year—three-fourths of it from the three States of Colorado, Utah, and Wyoming.

Since 1970, however, the Western coal resources have been the focus of great interest, and this in turn surfaced a lot of problems that had been dormant as long as there was so little activity.

Our response was to declare a moratorium on coal leasing until we could develop a rational, long-range approach to leasing which would respond in an equitable manner to these many problems. Since February 1973 we have issued no coal leases except those needed to maintain ongoing operations or as a reserve for production in the near future. We have meantime worked along two main

avenues to produce the basis for a long-term leasing policy.

The first of these efforts is the leasing program itself, which has the name Energy Minerals Allocation Recommendation System. It's easier to say EMARS, and that is what I will call it. EMARS is a planning system to determine the size, timing, and location of future coal leases to assure the availability of coal to meet the Nation's needs. The objective is to get the best coal at the least environmental cost. The system proceeds through three phases. In the first phase the Department of the Interior will solicit recommendations of areas of special interest for coal leasing and comments on problems which may be encountered. This input will be solicited from the coal industry and other interested parties, and will form the basis for setting minimum annual leasing goals. I would stress that this procedure is not a one-way street. We want maximum industry and public participation.

In the tract selection phase the Department of the Interior will seek more specific lease site recommendations from the industry. This stage is where environmental and multiple-use trade-offs will be made and environmental impacts analyzed. The idea here is to assess environmental issues prior to lease issuance. We want to put up environmentally "sanitized" leases so that there will be a minimum of post-leasing delays. The results of the tract selection phase will form the basis for the announcement of an advanced leasing schedule.

The actual leasing phase would be handled very much like our oil and gas leasing on the Outer Continental Shelf. Nominations of tracts would be solicited in designated areas. The nominations would be evaluated; tracts selected for offering; an environmental impact statement prepared; and a lease sale conducted under sealed competitive bidding.

This is an outline of what we have in mind for EMARS. We are working hard to get it ready for use by this fall. Meanwhile, we believe that there is sufficient coal already under lease to more than meet any requirements over the near term future.

EMARS of course requires an environmental impact statement, and this is the second effort we are pursuing. The basic investigation work is complete, and the draft statement has been prepared. Notice is going out this week inviting comments on it. If this is done, we can expect to get out a final statement sometime before the end of this year.

A long-range coal leasing policy is, of course, only part of the requirement for access to coal resources. We need to know a great deal more about our coal resource base: the size, depth, and extent of coal deposits, the chemical composition of the coal, and many other things. Past estimates of our coal resources are only rough approximations. In the future we will need to know definitively what we have and precisely where it is. We have proposed a program of surveying, mapping, and geochemical analysis to obtain this needed information.

Access to new technology involves a much longer wait, and much more money. The dollars are in sight, we believe, for a long-overdue effort to improve both the extraction and the utilization of coal. President Nixon's five-year energy research and development program contemplates some $3.5 billion to be spent for coal programs. This is a third of the total effort. Almost $400 million is requested for coal R&D work in the upcoming fiscal wear.

About $45 million of this first year's increment is desired toward improving the safety and efficiency of mining operations and reducing the environmental damage of mining. These are the "givens" that we must work with. Mine health and safety requirements are going to get tougher, not easier, especially as we push to get non-fatal accident rates down. Environmental protection and the reclamation of disturbed areas are going to be inevitable and costly features of every mining operation from now on out.

These added costs impact on production and earnings, and the proper response is to develop new tools and concepts that will increase productivity.

Among the areas we will be investigating are:

—Wider application of longwall mining;

—Integrated haulage systems from the working face to the preparation plant;

—Continuous roof support;

—Protection of surface areas against subsidence, acid drainage, and coal bed fires;

—Methane degasifying and recovery systems;

—Rapid restoration of overburden in surface mining.

One more thing needs to be said about resource access. We have worked hard to develop a coherent, equitable, long-range leasing program for Federal coal lands. We are proposing to spend hundreds of millions of dollars to develop technology which will assure that coal can be mined efficiently, safely, and with minimum damage to the environment. In the end, however, the issue of access will be determined by what the law allows.

We simply must have some long-range, workable ground rules on what will be permitted in the way of surface mining and under what conditions. The Administration is working hard to get a satisfactory law out of Congress this session—as it has been trying to do for three years. Such a law is indispensible to any real expansion in Western coal mining activity—which in turn is essential to the production goals we seek.

There is a third kind of access that I would like to talk about: access to markets. We are not going to produce 2 billion tons of coal a year—or anything like that amount—unless coal companies have some reasonable prospect of being able to sell the coal they produce. The investments won't be made, the mines won't be opened, and the coal will not come out.

Even before the Clean Air Act, coal has been driven out of most of its tidewater markets on the East Coast by interruptible gas and residual fuel at $2 a barrel. It no longer faces competition from gas, and foreign oil now lays down on the East Coast at $10 a barrel and upward. But the unforgettable fact is that the cost of this oil to the producing country is 15 cents a barrel. That leaves a lot of room for price manipulation to discourage domestic production doesn't it? We're going to have to face this issue for its implications to all our domestic energy development—not just coal alone.

But the things we are doing to ourselves to discourage investment in coal disturb me even more.

At a time of energy shortage coal is being systematically driven out of its markets by sulfur emission standards that cannot possibly be met within the time limits prescribed. On July 1, 1975—that's fourteen months from now—nearly 200 million tons of coal a year will be outlawed by the Clean Air Act under the State Implementation Plans now proposed. This would mean shutting down half the nation's coal-fired electric generating capacity if the law were to be enforced.

Now, no one in his right mind believes that we are going to paralyze this country merely to comply with a set of unworkable standards. But the uncertainty as to what we will do instead is the issue that concerns me. The Administration has requested Congress to amend the Act so that the patently untenable collision between the irresistable force and the immovable object will not occur on July 1 of next year.

But the critical need is for a long-range coal policy which will pace the adoption of air quality standards to the realistic expectations of technology. We do not have one now, and as a result coal companies, railroads, and utilities are hamstrung in making long-term investment decisions. We simply cannot continue to live with unrealistic standards mitigated by sporadic and temporary variances. This is not the basis on which the needed investments of tens of billions of dollars can be mounted.

And this brings me to my final point: the need for a national coal strategy. To provide a basis for such a strategy I have recently established an Interagency Coal Task Force, chaired by Dr. Thomas V. Falkie, Director of the Bureau of Mines. The Task Force has representation from all Departments and Agencies having significant responsibilities for coal. It is charged with recommending policies aimed at achieving significant increases in coal production through 1985—in short, to develop a national coal strategy.

The group held its organizational meeting under Dr. Falkie on March 29, and is aiming for its initial report to be out sometime later this month. The work of this group will form the basis for national policies addressed to coal under Project Independence. Dr. Falkie will be here tomorrow to talk further about the Task Force and the status of its work. I will say no more about it here, except to repeat that it is engaged in a vitally important, much needed assessment of how best to proceed to get from where we are to where we want to be with regard to coal.

There is a long distance between where we are and where we want to be, but this has been true of a lot of other successful ventures we have embarked upon. Americans have made quite a record of astounding the rest of the world—and ourselves—by doing seemingly impossible things. I can see nothing about the task of restoring our energy independence that differs in any important way from other challenges we have faced in the past. Does anyone here remember the public disbelief that greeted President Roosevelt's estimate in 1940 that America could turn out 50,000 planes a year? The previous year we had built less than 4,000. Yet by 1943, American factories were delivering aircraft at a rate of nearly 100,000 a year. And they did it in a time of critical material shortages and with 12 million Americans diverted from the labor force. Things like this are worth remembering when the temptation arises to consider that a job is too big to be done. Maybe some jobs are, but this one isn't. Let's do it.

SOVIET UNION BARS FREE EXCHANGE OF IDEAS

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PODELL. Mr. Speaker, in this morning's New York Times, I read a small article. It said, in effect, that the Soviet Union would bar a talk that had been planned by Jewish scientists living in Russia who had been denied permission to emigrate. This talk, or more accurately, scientific symposium, had been scheduled to take place in Moscow during July.

Invited to this conclave were many of the world's most prominent scientists, including a number of Nobel Prize winners. The purpose was to update the professional qualifications of the Russian Jewish scientists, who, because of their expressed desires to go to Israel, have been denied all academic privileges by the Russian Government. They were

dismissed from their posts after requesting permission to emigrate. They are not allowed to do research, they have no facilities to conduct their work. They are not allowed to present their papers at scientific meetings in the Soviet Union or elsewhere. And they are not allowed to receive professional journals from abroad, so they fall even further behind in a field in which new discoveries are being made constantly.

The excuse that the Soviet officials give for its callous action is that the proposed talks were not sanctioned by establishment Soviet scientific organizations. These organizations, it is apparent, are completely controlled by the Kremlin, and are mere instruments of those who wish to deny to Soviet Jews even the most basic human rights. Naturally, the establishment organizations would not approve. They claim they had no knowledge of the upcoming conference. How could they have had no knowledge, when Western scientists knew about this event months ago?

The only conclusion that can be drawn is that the Soviet Union, once again, and for heaven alone knows how many times, is acting to oppress Jews who have dared to speak out for their Jewishness. To threaten to bar eminent scientists from the United States and elsewhere, including eight Nobel laureates, is an act of the most incredible disregard for world opinion. This is nothing new for the Soviets, but each time I am amazed at the lengths to which the government will go to hurt its Jewish citizens.

These men and women have been cut off from access to others of their professions. For scientists, it is like a death sentence. There is only so much you can do with your mind alone. You need the stimulation of other minds, other ideas, if you are to derive any real benefit from your own mind and education. Forbidding these Jewish scientists to communicate and exchange ideas with foreign scientists is an act of the same magnitude as forbidding Valery Panov to dance.

I am sick of reading of such incidents. In many ways this is worse than incidents of physical brutality, because it demonstrates as clearly as nothing else could, the callous indifference of the Soviet government to the legitimate demands of its Jewish citizens. They are, in effect punished for being Jews. They are not given permission to emigrate, and at the same time, they are prevented from doing the work they have been trained to do in the Soviet Union. They are worse than non-persons, for the government does take recognition of them in order to continue harassing and oppressing them.

This should demonstrate clearly to our colleagues in the Senate the importance of acting quickly on Senator JACKSON's freedom of emigration amendment. This action by the Soviet Union is not just an action aimed against a few dissident Jews. No, it is an action aimed against the civilized world. How can a nation function in the 20th century, and expect to derive all the benefits of a highly technological society, if it bars a free exchange of ideas between Soviet scientists and those from other lands?

Under the increased trade that détente would bring about, many American scientists and engineering experts would go to Russia to teach them about the technology they will buy from us at bargain basement prices. I could not condone such activities, knowing what I do now about how the Kremlin views scientists. To the Soviet heads of state, these people are political pawns. We should stand up for the principle involved here. If the Soviet Union will not admit scientists for this symposium, we should not willingly send our scientists to cooperate with an inhuman regime.

A free exchange of ideas between nations is vital to détente. It is the mark of a genuinely civilized society. The Soviet Union has demonstrated that it deserves no special consideration, that détente under present conditions would be an exercise in folly, in which the United States would come out the loser.

I extend my sympathy to the 19 Russian Jewish scientists who organized the symposium. I realize what an incredible hardship has been imposed on them, and I urge them to continue to resist all government attempts to destroy them. But the only thing that can really do them any good is the enactment of the Freedom of Emigration Act, as soon as possible. Only in this way can we clearly demonstrate to the Soviet Government that human lives and human minds are not to be trifled with for political purposes.

EQUAL EDUCATIONAL OPPORTUNITIES FOR WOMEN

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PODELL. Mr. Speaker, the future of our Nation, as with any nation, is in the hands of its children. If we are to grow and endure as a people we must insure a quality education for all of our children. Schools in this Nation are now denying more than half of our young optimum opportunity to realize their potential.

Routinely, both by choice of educational materials used and in the programs stressed, schools fail to meet the needs of young women. We cannot allow this prejudice, this waste, to continue. In a country based on equal opportunity for all, we must not turn our backs when we see school systems denying some of those rights to so many of its students.

I am introducing legislation today to take the first step toward preparing women to take their proper role in our society. This act provides that funds appropriated under the Education Act of 1965 be used, on a priority basis, to purchase materials required to eliminate sexual prejudice in our schools. It will promote programs in athletics, leadership, and vocational training designed to better prepare women for positions in fields previously dominated by men. It provides that at least 15 percent of funds granted under section 306 of the 1965 act be used toward programs especially designed to meet the needs of female children and it also stresses administrative programs to allow for the needs of individuals who are responsible for legal dependents.

I feel it is imperative that we exploit, to the fullest extent, our most precious national resource, the minds of our youth. We must provide all of our young with the best possible education to better equip them for the challenges of an ever-changing world.

Let us give our daughters the chance to be the women they can be, the women they have a right to be, and let us start by giving them an equal educational opportunity.

MATERNAL AND CHILD HEALTH PROGRAMS

(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, Dr. Edwin F. Daily, M.D., director of maternity, infant care and family planning projects for the city of New York testified before the House Ways and Means Committee on May 17. He testified on the importance of national health programs as they relate to preventive health services such as are provided by existing maternal and child health programs, the costs of maternity care and what family planning does to the economy.

I know our colleagues will be interested in his excellent testimony, which I am appending.

TESTIMONY BEFORE THE COMMITTEE ON WAYS AND MEANS

I am Dr. Edwin F. Daily, Director of the Maternity & Infant Care and Family Planning Projects of the New York City Department of Health, and Vice-President for Legislative Liaison of the Maternity and Infant Care Project Directors in the United States.

I wish to testify in favor of H.R. 13870.

1. This is the only National Health Insurance Bill which I have examined that specifically provides for continuing and substantially expanding the Title V programs of health services for mothers and children, including handicapped children. For example, it states on page 215, (1) "to establish responsibility under the Secretary of Health, Education, and Welfare for assuring through programs of Federal assistance that Health Services covered under titles V, XVIII, and XX of the Social Security Act are accessible to every American", and (2) "prior to the effective date of the health insurance benefits authorized by amendments made by this Act to the Social Security Act, to accelerate and broaden Federal programs, designed to strengthen the Nation's resources of health personnel, facilities, and services and its system of delivery of health services, in order to enable the providers of health services better to meet the demands on them when such benefits become available . . .". To carry out this mandate for Title V the Bill should authorize for the fiscal year following passage of H.R. 13870, which currently authorizes $386,000,000 for Title V health programs, with increases of at least $100,000,000 per year for each of the next five years. This would make it possible for each state to develop more and more MIC, C&Y, Intensive Newborn and Childrens Dental Projects where needed, similar to those successfully developed in many areas in the past ten years. These Title V programs were started when the Social Security Act was first enacted in 1935 and have received increasing support from the Congress during

the 39 years of their existence. One of the most significant features of these Title V grant-in-aid programs has been the distinguished leadership given to them by Miss Katherine Lenroot, Dr. Martha Eliot, Mrs. Kay Oettinger and Dr. Arthur Lesser. These leaders insisted upon required standards to assure a high quality of health care.

It is most discouraging that the present Administration, both White House and H.E.W., have, during the past two years, almost completely destroyed the superbly qualified professional and administrative structure of Title V services in Washington and the Regional Offices. I urge this Committee to help restore the small but excellent Title V staff in H.E.W. and its Regional Offices. The authority to administer the Title V MCH and CC grants should be restored to a Director of MCH Services as it was before Dr. Lesser resigned in protest last year.

2. H.R. 13870 specifically provides for covering preventive health services for women and children, i.e., prenatal care, family planning services and important preventive health services for children, and which are to be provided without deductibles and without the 25% coinsurance. I do, however, hear rumors that some of the Committee members wish to change the language of page 14 to require 25% coinsurance for these preventive health services. The Medicaid rates based upon costs of an O.P.D. hospital visit in New York City range from $36 to $72, which would mean that for a clinic or hospital prenatal, well baby or family planning visit, the patient would have to pay $9–$18 per visit coinsurance if they were not in the lowest income category—($4800/year for a family of four). This coinsurance would be prohibitive for the large number of prenatal and family planning patients we see in Health Department and hospital clinics in New York City. Over half of these clinic patients are not eligible for Medicaid. If the 25% coinsurance is required for preventive health services for women and children. I believe the Bill will lose the support of all organizations and agencies concerned with maternal and child health. I implore this Committee to provide these preventive health services without deductible or coinsurance, which would be in line with policies currently followed for Title V health services throughout the nation.

3. The Bill provides for coverage of delivery care in hospitals with 25% coinsurance and $150 deductible. The average cost or charge for two or three days of delivery and post-partum care in New York City for a general service patient (nonprivate) is about $600 to $800. With the deductible of $150 and 25% coinsurance the minimum cost to the family for hospitalization alone for a normal delivery will be approximately $300–$350 in New York City. I consider this cost for maternity services excessive for most low-income families and I recommend coinsurance of not more than 10% of the cost of delivery, newborn and post-partum care.

4. The establishment of a "Health Resources Development Board" with $400,000,000 the first year and more in subsequent years, is an essential step toward assuring the availability of quality health services in the National Health Program. The absence of such a Board and such funds under what we call "Medicaid" made Medicaid simply a bill-paying mechanism with no involvement in the development of a good health services system.

5. The provisions of the Bill for administration by the Social Security Administraton are commendable, and I would hope that local administration would include major responsibility for State and Local departments of health where feasible to help assure an acceptable quality of health services. The administration of Title V Crippled Childrens Programs by State and Local departments of health have a splendid record. Some of you may recall the wartime Title V "Emergency Maternity and Infant Care Program" for enlisted mens' wives and children which was put into operation nationwide in less than six months and very ably administered by State or Local departments of health.

6. Two minor editorial suggestions under Part E . . . "Miscellaneous Provisions: Definitions: Physician Extender Services," Sec. 2051, page 120, line 6 (following the words "physician's assistant"), add the word "Nurse-Midwife." On line 11 (following the word "geriatrics"), add the words "obstetrics and gynecology, pediatrics."

I thank you for the privilege of testifying again before this distinguished Committee.

ON THE ASHES OF MAALOT

(Mr. YATES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YATES. Mr. Speaker, Peter Grose of the New York Times has written a penetrating article on the current negotiations seeking disengagement and peace in the Midddle East. All of us say "Amen" to his hopeful conclusion that "a formal truce and disengagement agreement between Israel and Syria would be as worthy a monument as could be conceived to the memories of the dead in Maalot and Lebanon."

This Congress again has gone on record decrying the violence and bloodshed that is staining that unfortunate area of the world. The Senate passed its resolution unanimously. To date, there are 324 cosponsors in the House for the resolution condemning the brutal terrorist attack upon the children in the school at Maalot and uring the President to raise the matter in the U.N. Security Council.

I am attaching copies of Mr. Grose's article and the resolution:

[From the New York Times, May 20, 1974]

ON THE ASHES OF MAALOT

(By Peter Grose)

In the space of one short week, the emotions of those concerned with making peace between Arabs and Israelis have gyrated from grief to fury to futility to something on the way euphoria. The sense of futility grew from the terror and violence of Maalot and Lebanon—just at a moment when Israel and Syria, that most intransigent of the neighboring Arab states, seemed on the verge of a far-reaching security accord.

On Saturday came a sudden revival of hope. The leaders of Syria and Israel alike obviously perceived their national interests in reaching an agreement, transcending the passions and frustrations of a tense moment. They signalled readiness to act on these perceptions—however unpopular any accommodation may prove to be among extremists on both sides.

The disengagement agreement that Secretary of State Kissinger is now piecing together between Jerusalem and Damascus is likely to be far more firmly based than it might otherwise have been, for having been completed on the ashes of Maalot. If the interests in reaching the accommodation were so great as to permit emotional peoples to rise above one of the starkest flares of hatred that the area has seen, then there might—just might—be something durable on which a generation can build a peace after all.

Against the long record of dashed expectations, there is no need to belabor the point that a military disengagement on the Golan Heights is not peace. But bad news and suspicions are so endemic to the Middle East that it would be equally muddling to dismiss Syrian-Israel disengagement as merely a modest first step.

The accord, once concluded, can be taken as firm repudiation of the old Arab ideology that forbade any notice to be taken that a Zionist state exists in the Middle East: If there are not good relations between Israel and the Arabs, there are at least relations—mutual undertakings, joint ventures in however limited a sphere. A growing acceptance of the fact of Israel has been detected among Arab thinkers ever since 1967; now that acceptance is being codified in a formal agreement.

In this context, Syria is far more significant than Egypt. President Sadat has already negotiated a disengagement accord with Israel, but Egyptian credentials among many Arabs, certainly the more radical parties, are increasingly suspect, along with the other right-wing and monarchist Arab regimes. Syria, by contrast, has impeccably Arab, impeccably radical, credentials, as the cauldron of Arab nationalism nearly a century ago and as the most ideologically hostile of Israel's neighbors.

The Syrian accord will be almost as important to President Sadat's security as to Israel's, for the last four months have caught the Egyptian leader in a dangerously exposed position. As long as only one Arab government had found the way the grant long-withheld recognition to Israel, that government had to be considered vulnerable to reprisals from extremists around the Arab world. Now, Mr. Sadat's calculated risks of last January seem to be receiving an impressive endorsement from a Syrian Baathist; the politics of accommodation has ceased to be unthinkable for any Arab leader who fancied staying in power, and alive.

Another side effect of a Syrian-Israeli agreement could lead to a shift in the global diplomacy of the Middle East. Last December, at the opening of the ceremonial Geneva conference on the Middle East, the Soviet and Israeli Foreign Ministers met for the first time in more than six years. Andrei A. Gromyko informed Abba Eban that Moscow hoped to resume diplomatic relations with Israel at the first sign of significant diplomatic progress.

The Israelis were disappointed that Moscow seemed unable to consider the Egyptian disengagement of January as "significant progress," but anticipate that a second agreement, concluded formally at the Geneva conference with Soviet participation, could provide the pretext to end the nearly seven years of diplomatic rupture between Israel and the Soviet Union. Resumption of diplomatic relations would not necessarily make for much cordiality. But it would resolve a long-term asymmetry in Israel's world role, and could be of specific benefit in matters involving Soviet Jews.

Against the grief and human tragedy with which this past week began, the most immediately heartening aspect of an Israeli-Syrian accord would be the crushing blow it would deliver to fanatic terrorist designs. A lunatic fringe, posing fraudulently as representatives of the Palestinian people, has sought above all to disrupt any diplomatic progress that would tend to legitimize the Israeli state; a shocked world has seen the length to which these gangsters will go. Now, it seems, their purpose is frustrated. A formal truce and disengagement agreement between Israel and Syria would be as worthy a monument as could be conceived to the memories of the dead in Maalot and Lebanon.

RESOLUTION

Whereas Arab terrorists have threatened the lives of 90 Israeli school children; 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.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CHAPPELL (at the request of Mr. O'NEILL), from 4:30 today and Wednesday, May 22, on account of attending funeral of a friend.

Mr. HELSTOSKI (at the request of Mr. O'NEILL), for today and the balance of the week, on account of official business.

Mr. KLUCZYNSKI (at the request of Mr. O'NEILL), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. HINSHAW) and to revise and extend their remarks and include extraneous matter:)

Mr. CLEVELAND, for 5 minutes, today.

Mr. SHRIVER, for 5 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. TALCOTT, for 10 minutes, today.

Mr. HORTON, for 60 minutes, on May 29.

Mr. RONCALLO of New York, for 60 minutes, on May 22.

(The following Members (at the request of Mr. BRECKINRIDGE), to revise and extend their remarks, and to include extraneous matter:)

Mr. KASTENMEIER, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Ms. HOLTZMAN, for 10 minutes, today.

Mr. ASPIN, for 10 minutes, today.

Mr. MITCHELL of Maryland, for 60 minutes, today.

Mr. VANIK, for 5 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HECHLER of West Virginia and to include extraneous material, on H.R. 13834, the Standby Energy Emergency Authorities Act, which was considered under suspension of the rules today.

Mr. CONTE to revise and extend his remarks on H.R. 13834, Standby Energy Emergency Authorities Act.

Mr. PEYSER to have his remarks inserted at the beginning of the debate on H.R. 13221.

(The following Members (at the request of Mr. HINSHAW), and to include extraneous matter:)

Mr. YOUNG of Alaska in two instances.
Mr. NELSEN.
Mr. FINDLEY in two instances.
Mr. HANRAHAN.
Mr. CONTE.
Mr. HUNT in three instances.
Mr. MCCLOSKEY.
Mr. BELL.
Mr. BURGENER.
Mr. LANDGREBE in 10 instances.
Mr. HOSMER in two instances.
Mr. SHOUP.
Mr. HUBER in two instances.
Mr. WHITEHURST.
Mr. ARMSTRONG.
Mr. CRANE in five instances.
Mr. BOB WILSON in three instances.
Mr. BEARD.
Mr. CAMP.
Mr. GUBSER.
Mr. VEYSEY in two instances.
Mr. PRICE of Texas.
Mr. BAUMAN in five instances.
Mr. ROUSSELOT.
Mr. MCDADE.

(The following Members (at the request of Mr. BRECKINRIDGE), and to include extraneous matter:)

Mr. MINISH.
Mr. VANDER VEEN.
Mr. LUKEN.
Mr. MOAKLEY in 10 instances.
Mr. RARICK in three instances.
Mr. WOLFF in three instances.
Mr. GONZALEZ in three instances.
Mr. HAMILTON.
Ms. HOLTZMAN in 10 instances.
Mr. HUNGATE in two instances.
Mr. VANIK.
Mr. PATTEN.
Mr. STUDDS in three instances.
Mr. DOMINICK V. DANIELS.
Mr. HAWKINS in two instances.
Mr. FRASER in five instances.
Mr. PICKLE.
Mr. WON PAT.
Mr. GAYDOS in 10 instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3473. An act to authorize appropriations for the Department of State and the United States Information Agency, and for other purposes, to the Committee on Foreign Affairs.

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. 10942. An act to amend the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), as amended, to extend and adapt its provisions to the Convention between the United States and the Government of Japan for the protection of migratory birds and birds in danger of extinction, and their environment, concluded at the city of Tokyo, March 4, 1972.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2835. An act to rename the first Civilian Conservation Corps Center located near Franklin, N.C., and the Cross Timbers National Grasslands in Texas in honor of former President Lyndon B. Johnson.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 42 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 22, 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:

2338. A letter from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1975 for the Department of Agriculture (H. Doc. No. 93-300); to the Committee on Appropriations and ordered to be printed.

2339. A letter from the President of the United States, transmitting amendments to the request for appropriations for foreign assistance for fiscal year 1975 (H. Doc. No. 93-301); to the Committee on Appropriations and ordered to be printed.

2340. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period May 15 through August 15, 1974, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2341. A letter from the Assistant Secretary of the Air Force (Financial Management), transmitting a draft of proposed legislation to amend title 10, United States Code, by repealing the requirement that only certain officers with aeronautical ratings may command flying units of the Air Force; to the Committee on Armed Services.

2342. A letter from the Secretary of Housing and Urban Development, transmitting the Department's annual report on improving program management, pursuant to section 5 of the Housing and Urban Development Act of 1968, as amended; to the Committee on Banking and Currency.

2343. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued operation of a campground store and bicycle rental service within the Great

Smoky Mountains National Park for a term ending December 31, 1978, pursuant to 16 U.S.C. 17b–1; to the Committee on Interior and Insular Affairs.

2344. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend titles VII and VIII of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2345. A letter from the Secretary of Transportation, transmitting the annual report on the implementation of the national transportation policy recommendations submitted to Congress in 1971, pursuant to section 3(b) of the Airport and Airway Development Act of 1970 [49 U.S.C. 1702(b)]; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

2346. A letter from the Comptroller General of the United States, transmitting a report on the audit of payments from the special bank account to the Lockheed Aircraft Corp. for the C–5A aircraft program during the quarter ended March 31, 1974, pursuant to section 802(b) of Public Law 93–155; to the Committee on Armed Services.

2347. A letter from the Comptroller General of the United States, transmitting a report that the Department of Defense's requirement for air-conditioning military family housing in Hawaii is unnecessary; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1139. Resolution providing for the consideration of H.R. 10701. A bill to amend the act of October 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities (Rept. No. 93–1053). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1140. Resolution providing for the consideration of H.R. 14449. A bill to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs (Rept. No. 93–1054). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1141. Resolution providing for the consideration of H.R. 14832. A bill to provide for a temporary increase in the public debt limit (Rept. No. 93–1055). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERGLAND:

H.R. 14907. A bill to provide for adequate reserves of certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. BURGENER (for himself and Mr. WIDNALL):

H.R. 14908. A bill to prohibit discrimination on the basis of sex or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. BYRON:

H.R. 14909. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall be deemed lawful; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN:

H.R. 14910. A bill to provide benefits for sufferers from byssinoisis; to the Committee on Education and Labor.

By Ms. COLLINS of Illinois (for herself, Mr. MITCHELL of Maryland, and Mr. ROE):

H.R. 14911. A bill to amend title XVIII of the Social Security Act to include breast prosthesis among the items and services for which payment may be made under the supplementary medical insurance program; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 14912. A bill to amend the Tariff Schedules of the United States to provide for a partial exemption from duty for articles previously exported from the United States composed in part of fabricated components the products of the United States, when returned after having been exported, without having been advanced in value or improved in condition while abroad; to the Committee on Ways and Means.

By Mr. DIGGS:

H.R. 14913. A bill to amend the Sugar Act of 1948 to terminate the quota for South Africa; to the Committee on Agriculture.

By Mr. FREY:

H.R. 14914. A bill to amend section 62 of the Internal Revenue Code of 1954 in order to permit penalties incurred because of premature withdrawal of funds from time savings accounts or deposit to be deducted from gross income in calculating adjusted gross income; to the Committee on Ways and Means.

By Mr. FREY (for himself, Mrs. BOGGS, Mr. KASTENMEIER, and Mr. MADIGAN):

H.R. 14915. A bill to provide for a uniform application of safety standards for mobile homes and recreational vehicles in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FROEHLICH:

H.R. 14916. A bill to extend further the deadline for seeking assistance under section 321 of the Consolidated Farm and Rural Development Act, as amended by the Act entitled "An Act to amend the Small Business Act", approved January 2, 1974; to the Committee on Agriculture.

H.R. 14917. A bill to amend section 4 of the Act entitled "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes" to extend its coverage to the alteration of additional bridges over navigable waters of the United States; to the Committee on Public Works.

By Mrs. GRASSO:

H.R. 14918. A bill to encourage State and local governments to reform their real property tax systems so as to decrease the real property tax burden of low and moderate income individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. SHRIVER, and Mr. SARASIN):

H.R. 14919. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. FUQUA, Mr. SYMINGTON, Mr. WYDLER, Mr. HANNA, Mr. ESCH, Mr. ROE, Mr. CONLAN, Mr. BERGLAND, Mr. PARRIS, Mr. PICKLE, Mr. CRONIN, Mr. BROWN of California, Mr. MARTIN of North Carolina, Mr. MILFORD, Mr. KETCHUM, Mr. THORNTON, and Mr. GUNTER):

H.R. 14920. A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MARAZITI:

H.R. 14921. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

H.R. 14922. A bill for the general revision of the Copyright Law, title 17, of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. PATMAN:

H.R. 14923. A bill to prohibit loans by the Small Business Administration to businesses deriving any part of their revenues from gambling; to the Committee on Banking and Currency.

By Mr. PEYSER:

H.R. 14924. A bill to provide for the reimbursement of regulated public utility companies engaged in the sale of electric power at the retail level for any amount expended for residual fuel oil which is more than $7.50 a barrel; to the Committee on Interstate and Foreign Commerce.

By Mr. PODELL:

H.R. 14925. A bill to amend the Education Act of 1965 to provide for the Women's equal education opportunity program; to the Committee on Education and Labor.

By Mr. ROGERS (for himself, Mr. CARTER, Mr. KYROS, Mr. JARMAN, Ms. ABZUG, Mr. BIAGGI, Mr. BINGHAM, Mr. CLEVELAND, Mr. CONTE, Mr. CRONIN, Mr. DANIELSON, Mr. GILMAN, Mrs. GRASSO, Mr. HELSTOSKI, Mr. MATSUNAGA, Mr. MOSHER, Mr. MURTHA, Mr. REID, Mr. ROSE, Mr. ROSENTHAL, Mr. OWENS, Mr. SARBANES, Mr. ST GERMAIN, Mr. STUDDS, and Mr. WON PAT):

H.R. 14926. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN:

H.R. 14927. 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. SARASIN (for himself, Mr. ANDERSON of Illinois, Mr. BAUMAN, Mrs. CHISHOLM, Mr. COHEN, Mr. COUGHLIN, Mr. HEINZ, Mrs. HOLT, Ms. HOLTZMAN, Mr. JOHNSON of Pennsylvania, Mr. KOCH, Mr. LUKEN, Mr. MITCHELL of New York, Mr. ROUSH, Mr. RUPPE, Mr. J. WILLIAM STANTON, Mr. TRAXLER, and Mr. WYMAN):

H.R. 14928. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foregn Commerce.

By Mr. SHRIVER:

H.R. 14929. A bill to adjust target prices established under the Agricultural and Consumer Protection Act of 1973, as amended, for the 1974 through 1977 crops of wheat and feed grains to reflect changes in farm production costs and yields; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. DEVINE):

H.R. 14930. A bill to amend titles VII and VIII of the Public Health Services Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14931. A bill to extend the National Health Service Corps, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. JARMAN, Mr. DINGELL, Mr. ADAMS, Mr. PODELL, Mr. HELSTOSKI, Mr. METCALFE, Mr. KUYKENDALL, Mr. SKUBITZ, and Mr. SHOUP):

H.R. 14932. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON:

H.R. 14933. A bill to establish a National Economic Preparedness Council and a National Commodities Survey Office, to control self-dealing pricing practices of oil companies and to terminate certain tax preferences of such companies, and for other purposes; to the Committee on Ways and Means.

By Mr. TIERNAN:

H.R. 14934. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committe on Interstate and Foreign Commerce.

By Mr. WHITE:

H.R. 14935. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. YOUNG of Alaska:

H.R. 14936. A bill to establish a Marine Fisheries Conservation Fund; to the Committee on Merchant Marine and Fisheries.

By Mr. GILMAN:

H.R. 14937. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 14938. A bill to create a President's Commission on Olympic Sports to evaluate and formulate recommendations concerning participation of the United States in the Olympic games and other international competition in the Olympic sports; to the Committee on the Judiciary.

By Mr. LUKEN:

H.R. 14939. A bill to provide for public ownership of all documents prepared for or by any elected Federal offical in connection with the performance of the duties of such official; to the Committee on House Administration.

By Ms. ABZUG:

H.J. Res. 1022. Joint resolution designating October 10, 1974, as the "90th Commemorative of Eleanor Roosevelt's Birth"; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.J. Res. 1023. Joint resolution to authorize the President to proclaim the period from September 15 through September 22, 1974, as "National Learning Disabilities Week"; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 1024. 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. HUBER:

H. Con. Res. 500. Concurrent resolution expressing the sense of the Congress that the President, acting through the U.S. Ambassador to the United Nations Organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations Organization; to the Committee on Foreign Affairs.

By Mr. KETCHUM (for himself, Mr. ARCHER, Mr. BAUMAN, Mr. BEARD, Mr. BIAGGI, Mrs. BOGGS, Mr. BOLAND, Mr. BRAY, Mr. BROTZMAN, Mrs. CHISHOLM, Mr. DENHOLM, Mr. EILBERG, Mrs. GRASSO, Mr. GUYER, Mr. HUBER, Mr. HUNT, Mr. ICHORD, Mr. LANDGREBE, Mr. LENT, Mr. MATHIS of Georgia, Mr. MELCHER, Mr. PARRIS, Mr. PODELL, Mr. STEIGER of Arizona, and Mr. THONE):

H. Res. 1133. Resolution expressing the sense of the House regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

By Mr. KETCHUM (for himself, Mr. BOB WILSON, Mr. WON PAT, and Mr. COCHRAN):

H. Res. 1134. Resolution expressing the sense of the House regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

By Mr. LENT (for himself, Mr. KOCH, and Mr. HOGAN):

H. Res. 1135. Resolution to condemn acts of Arab terrorism; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. RHODES, Mr. OBEY, Mr. HAWKINS, Mr. LARGOMARSINO, Mr. HOGAN, Mr. DU PONT, Mr. THOMPSON of New Jersey, Mr. VAN DEERLIN, Mr. ESCH, Mr. HORTON, Mr. ROBISON of New York, Mr. MITCHELL of Maryland, Mr. BYRON, and Mr. CRANE):

H. Res. 1136. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. SHOUP:

H. Res. 1137. Resolution directing that full consideration be given to the possible use of solar energy in construction of Federal buildings; to the Committee on Public Works.

By Mr. WALSH (for himself, Mr. CLEVELAND, Mr. GUNTER, Mr. ABDNOR, Mr. HOSMER, Mr. KETCHUM, Mr. MILFORD, Mr. HUNT, Mr. WHITEHURST, and Mr. BROWN of Michigan):

H. Res. 1138. Resolution to require the administration of an oath to each Member of the House prior to the consideration of any resolution of impeachment; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XX, memorials were presented and referred as follows:

482. By the SPEAKER: Memorial of the Legislature of the State of Oklahoma, relative to the tax-exempt status of State and local bonds for federally aided projects; to the Committee on Government Operations.

483. Also, memorial of the Legislature of the State of California, relative to off-shore oil and gas production; to the Committee on Interior and Insular Affairs.

484. Also, memorial of the Legislature of the State of California, relative to issuance of a postage stamp commemorating "Snowshoe" Johnson; to the Committee on Post Office and Civil Service.

485. Also, a memorial of the Senate of the State of Colorado, relative to the most-favored-nation treatment of countries which deny their citizens the right or opportunity to emigrate; to the Committee on Ways and Means.

SENATE—*Tuesday, May 21, 1974*

The Senate met at 9:15 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:

O Holy God, Thou hast made us for Thyself, and our hearts are ever restless until they rest in Thee. In this hallowed moment we turn from the duties of the day and "slip away from every cumbering care to spend awhile with Thee in humble, grateful prayer." Help us to see that there is no distinction between the spiritual and the practical—that all life is lived in eternity, partitioned only by death—and the purpose of life is to develop a personality worthy of eternal survival. Give us grace to keep things and persons and choices under the perspective of eternity. May we come to understand that worship and work are indistinguishable when all of life is given to following Thee. By faith may we live aware that Thou art above us, around us, and underneath us forever. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Mon-