

which we have been doing. We find that they feel a deep obligation to those people who have dedicated their lives and themselves to the service of this country. I think it is appropriate to remember the words of Franklin D. Roosevelt 30 years ago, when he signed the first GI bill, that—

This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. ROBERT C. BYRD. The Senator from Indiana has also often spoken to me privately of the work of the Senator from Wyoming (Mr. HANSEN), who is the ranking Republican member of the Veterans' Affairs Committee. As a part of the leadership, may I say that Mr. HANSEN is always most agreeable and cooperative with the leadership in scheduling measures affecting veterans, as well as other measures in which the Senator from Wyoming (Mr. HANSEN) has an interest. He is not only a very able Senator, a very active Senator, and a very effective Senator, but he is also a very congenial, understanding, and cooperative Senator, and I thought the record ought to show this statement on my part, because the Senator from Indiana has taken the occasion in numerous instances to mention the fact that he gets such excellent cooperation and able assistance from Mr. HANSEN, the ranking minority member of the committee. Again I compliment the Senator from Indiana for his effective, dedicated leadership on behalf of legislation dealing with problems affecting our Nation's veterans.

Mr. HARTKE. I thank the Senator. I wholeheartedly agree with the remarks concerning the ranking minority member (Mr. HANSEN).

Let me say again, I want to put the Senate on notice now—

Mr. ROBERT C. BYRD. That we will have more.

Mr. HARTKE. That we will have more legislation in the future. But I also want to warn Senators about something frequently overlooked: There are about 14 million World War II veterans in this Nation. They are now approaching an average age of roughly 55 years. They are going to be looking to their Nation

for some of the same benefits that some of their predecessors who have served their country have had.

#### ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the previous orders for recognition of three Senators have been consummated, I be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR RECOGNITION OF SENATOR TUNNEY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, the Senator from California (Mr. TUNNEY) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9:30 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senator from California (Mr. TUNNEY) will be recognized for not to exceed 15 minutes; after which the Senator from Hawaii (Mr. FONG) will be recognized for not to exceed 15 minutes; after which the Senator from Massachusetts (Mr. KENNEDY) will be recognized for not to exceed 15 minutes; after which the Senator from Alabama (Mr. ALLEN) will be recognized for not to exceed 15 minutes; after which the

Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes each.

At the conclusion of routine morning business, the Senate will proceed to the conference report on biomedical research, H.R. 7724. Whether a rollcall vote will be requested, I am not prepared to state.

Other conference reports may be called up during the day. The conference report on the continuing appropriations bill is expected also to be ready during the day.

Other measures which have been cleared for action may be called up by the leadership. So Senators are alerted to the possibility of rollcall votes.

#### ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:04 p.m. the Senate adjourned until tomorrow, Thursday, June 27, 1974, at 9:30 a.m.

#### NOMINATIONS

Executive nominations received by the Senate June 26, 1974:

##### NATIONAL SCIENCE FOUNDATION

The following-named persons to be members of the National Science Board, National Science Foundation, for terms expiring May 10, 1980:

Jewel P. Cobb, of Connecticut, vice Frederick E. Smith, term expired.

Norman Hackerman, of Texas. (Reappointment)

William Nelli Hubbard, Jr., of Michigan, vice Philip Handler, term expired.

Saunders Mac Lane, of Illinois, vice R. H. Bing, term expired.

Grover E. Murray, of Texas (Reappointment)

Donald B. Rice, Jr., of California, vice Harvey Brooks, term expired.

L. Donald Shields, of California, vice William A. Fowler, term expired.

James H. Zumberge, of Arizona, vice James G. March, term expired.

## HOUSE OF REPRESENTATIVES—Wednesday, June 26, 1974

The House met at 12 o'clock noon. The Reverend Dr. Ewald H. Mueller, pastor, Bethlehem Lutheran Church, Ridgewood, N.J., offered the following prayer:

Heavenly Father, with whom there is no change nor变ability, neither shadow of turning, we thank Thee for Thy divine constancy in the midst of our human frailty; for Thy strength in the midst of our weakness; and for all blessings bestowed. We confess our faults, both corporate and individual, public and private, and plead forgiveness and forbearance. We ask Thy benediction upon the Congress and upon all who bear

the responsibility of governance, that they may be endowed with reverence for life; with wisdom; with faith; with integrity of purpose; and with joyous optimism; that all their ministrations may conform to Thy will and insure the establishment of righteousness, justice, prosperity, and peace for people everywhere. We ask it in the Saviour's name.—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 joint resolutions of the House of the following titles:

H.J. Res. 1056. Joint resolution to extend by 30 days the expiration date of the Defense Production Act of 1950; and

H.J. Res. 1057. Joint resolution to extend by 30 days the expiration date of the Export Administration Act of 1969.

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

H.R. 9456. An act to extend the Drug Abuse Education Act of 1970 for 3 years; and  
H.R. 14833. An act to extend the Renegotiation Act of 1951 for 18 months.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14833) entitled "An act to extend the Renegotiation Act of 1951 for 18 months," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. HARTKE, Mr. RIBICOFF, Mr. BENNETT, Mr. CURTIS, and Mr. FANNIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3066) entitled "An act to consolidate, simplify, and improve laws relative to housing and housing assistance, to provide Federal assistance in support of community development activities, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. TOWER, Mr. BROOKE, and Mr. BROCK to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, a joint and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities;

S. 3490. An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended;

S.J. Res. 218. Joint resolution to extend by 30 days the expiration date of the Export-Import Bank Act of 1945; and

S. Con. Res. 94. Concurrent resolution to issue official duplicates of conference papers.

#### HOW LONG, MR. SPEAKER?

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

Mr. KOCH. Mr. Speaker, today I have learned with great dismay that the House Committee on Public Works once again has postponed action on the administration's highway-transit proposals which were referred to that committee back in February.

As many members, particularly those who represent urbanized areas with hard-pressed transit systems know, both the House and the Senate passed legislation last year to provide operating assistance for mass transit systems. However, after the administration reversed itself on this question, the House Rules Committee, on March 6, refused to permit the Emergency Urban Mass Transportation Act to reach the floor of the House for final consideration.

On the day the Rules Committee tabled this legislation, members of the House Public Works Committee stated that their committee would have an alterna-

tive transit package to the floor in 5 weeks' time.

Mr. Speaker, it is now 16 weeks since the Rules Committee tabled S. 386, the Emergency Urban Mass Transit Act, with the assurance that the administration's bill, or a variation thereof, would reach the House floor in short order. It is clear that the Public Works bill has been the subject of interminable delay and foot dragging and it is now time for the Rules Committee to free this vitally important legislation to aid mass transit in the United States.

How long, Mr. Speaker, will the Rules Committee prevent the House from working its will?

#### MURDER OF TWO POLICEMEN POINTS UP NEED FOR BENEFITS FOR WIDOWS AND SURVIVORS

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

Mr. BIAGGI. Mr. Speaker, on Monday, I had the sad duty to attend still another funeral of a policeman brutally murdered in the line of duty.

Thursday morning, on a quiet, residential street in Queens, N.Y., Lt. Henry O. Schiemann, a highly decorated 21-year veteran of the New York City Police Department was preparing to go to work. Suddenly, a man leaped out, pulled a gun, and attempted to rob Lieutenant Schiemann. Lieutenant Schiemann immediately responded by pulling his revolver and was able to wound his assailant, but was not able to survive the two bullets fired point-blank at his head. He was pronounced dead shortly thereafter—a mere 10 blocks from his home.

As a 23-year veteran of the New York City Police Department, I feel a sense of personal as well as comradely loss over Lieutenant Schiemann's death. As I reflect on the circumstances surrounding the senseless murder, and saw the anguish and suffering which his widow and family are enduring, I felt a sense of anger and frustration. Anger over the fact that 21 years of hard, dedicated work and service to the citizens of New York City could be snuffed out so quickly by a bullet fired by such a depraved and worthless member of society.

My frustration is generated as a result of the seeming insensitivity of this Congress to the plight of the policeman in America. For several years, we have had the legislative means to alleviate some of the anguish and suffering which widows such as Mrs. Schiemann are forced to endure. Several months ago, both the House and the Senate passed important legislation to provide widows and survivors of policemen slain in the line of duty with a \$50,000 death benefit payment. Yet, as we bury still another slain policeman, this legislation continues to languish in a conference committee with no immediate prospect of passage.

How much longer, and how many more policemen must be murdered before this Congress responds? How much longer can we expect it to be enough to express shock and outrage and be content at that? I urge all of you today to think about this tragic murder, to think of the

consequences for his family and loved ones, and then ask yourselves, can we afford to wait any longer to pass the Public Safety Officers Death Benefits Act? I trust and pray that your answer will be a resounding no and that you will work to see that this legislation is enacted immediately.

#### MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS ECONOMIC INEQUITIES CONTINUE TO SPREAD

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

Mr. O'NEILL. Mr. Speaker, the distortions and inequities of President Nixon's economic policies continue to spread throughout the Nation.

Today banks are raising prime interest rates to 11 1/4 percent, which means the common man must pay 13 or 14 percent for credit, if he can get it at all.

Yesterday, the Agriculture Department announced that food prices are still going up, but that the return to the farmer is steadily down, so that both the consumer and the food producer suffer from the administration's farm policy.

Two days ago, the President's chief economic adviser gave notice that a proposed \$5 billion budget cut would come out of domestic programs, further distorting priorities away from the people and toward the military.

All these administration policies have one thing in common: more crunch on the little guy. The people who have been socked hardest by inflation are now expected to bear most of the burden of the administration's ad lib economic recovery measures.

Of course, we can't question the President's chief economic adviser on these policies since he speaks only to the press and not to the Congress, in arrogant disregard of the processes of constitutional government and of the well-being of millions of Americans.

It is the duty of the Congress to stand up for the people, to demand a fair sharing of the economic recovery burden, and to make sure that in seeking to combat inflation, we do not choke off recovery.

#### RESTORE OATH OF ALLEGIANCE TO U.S. PASSPORT APPLICATION

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

Mr. FLYNT. Mr. Speaker, last Friday I introduced H.R. 15562 designed to restore the oath of allegiance to the U.S. passport application, and I urge its early passage by the House.

In a news release of January 24, 1974, the Department of Justice announced that it would not seek Supreme Court review of the decision of the U.S. Court of Appeals in the case of Woodward against Rogers. In that case, the court held that the Department of State has no statutory authority to make the taking of an oath of allegiance to the United States a prerequisite to obtaining an American pass-

port. The news release concluded that stating that the Department of Justice and the Department of State would cooperate in drafting legislation that would empower the Secretary of State to make an oath of allegiance a prerequisite to obtaining a passport.

I believe there is a definite connection between the oath of allegiance and the U.S. passport. Legislation on this point is both logical and reasonable. Allegiance is defined as the obligation of fidelity and obedience which the individual owes the Government under which he lives in return for the protection he receives. The American passport is the primary evidence recognized internationally which brings into play the responsibility of this Government to protect the bearer. The correlated responsibility—that of the passport bearer's allegiance to this country—is obvious. The Report of the Special Committee To Study Passport Procedures appointed by the president of the Association of the Bar of the City of New York made the following observation with regard to the oath:

This is unobjectionable because of its close relationship to citizenship.

It is unfortunate that the true definition of allegiance is rapidly being blurred by the vociferous elements in our society who emphasize constitutional rights and privileges to the total exclusion of constitutional responsibilities.

#### OIL DEPLETION ALLOWANCE: OIL DEPLETION MUST STAY

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

Mr. RONCALIO of Wyoming. Mr. Speaker, there seems to be little doubt we will be called upon soon to vote one way or the other upon terminating or continuing the oil depletion allowance. Representatives of the Wyoming oil producers will soon be coming to Washington in order to explain to each and every one of us the distinction as to the oil depletion allowance as it affects independent oil producers and the large multinational oil companies.

I ask the Members and particularly those of my party, to keep an open mind on this subject matter and to avoid doing irreparable damage to the production of oil in the United States of America, by unwise action now in terminating this particular production incentive.

#### WASTEFUL GOVERNMENT SPENDING

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, on May 15, 1974, I addressed this House concerning a HEW study of why children fall off their tricycles. It cost the Federal Government \$23,000 to learn what every American mother knows, and that is, children fall off their tricycles because they lose their balance or they run into objects.

Since that speech, I have received let-

ters and reports from organizations, as well as private citizens, citing additional examples of wasteful Government spending.

The National Taxpayers Union reports that the Government spent \$70,000 to study the odor of perspiration given off by the Australian aborigines. No doubt some of this money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor-measuring machine we purchased for them for \$28,361.

For reasons unknown, we have spent hundreds of thousands of the American taxpayers' dollars to study abroad the most incredulous foreign things, such as: \$6,000 to study the sex life of Polish bisexual frogs; \$20,000 to study biological rhythm of catfish in India; \$20,000 to study the blood groups of Polish Zlotnika pigs; \$5,000 to collect rare moss in Burma; \$8,000 to track down certain Burmese ants; \$3,000 to search for Indian lizards; \$33,101 to the Israeli Institute of Applied Science to conduct a "test of the husband-wife relationship."

While we are wasting our taxpayer dollars abroad we are facing the most severe case of domestic inflation in our history. Most sound economists agree that excessive Government spending is one of the major causes of this terrible inflation. We should not allow foolish programs such as these to waste the taxpayers' dollars and further feed the fires of inflation.

I have asked the General Accounting Office to investigate each of these programs and report back to me. I am presently waiting for their report.

#### REPLY TO MAJORITY LEADER

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

Mr. RHODES. Mr. Speaker, I was much interested in the speech of the distinguished majority leader. To listen to my distinguished friend, we would think that the Republicans are in the majority in the Congress, rather than in the minority.

It has been wisely said that the executive proposes and the legislative disposes; but as far as this Congress is concerned it apparently does not dispose at all. All it does is do nothing.

This Congress has not acted in the field of energy, as the administration has requested. It has not acted in any field that I know of that would have any beneficial effect whatsoever on the economy. All that the majority of this Congress seems to be able to do is criticize the executive. The only constructive idea I have heard anybody put forth yet is that there ought to be a tax cut and that we should spend more which is, of course, the traditional way the majority party looks at crises; but most people who study economics feel this is exactly the wrong thing to do. It would pour more gasoline on the fires of inflation.

So, Mr. Speaker, until the majority is able to come up with some sort of a cogent legislative program, or economic program for the country, I think it ill

behoves criticism of those who have such a program.

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

Mr. RHODES. Certainly, I yield to the distinguished majority leader.

Mr. O'NEILL. I certainly say we have been very charitable to the administration. This administration has been in power for 5½ years, but it really has ruined the economy. Consider, for example, that there is 40 percent more beef in the packinghouses than in the freezers of America than there was a year ago at this time. The poor farmer is getting 33 percent less for his cattle than he received a year ago, yet the price of beef is four-tenths of 1 percent lower than it was last year. This is administration policy. It is certainly not the legislative policy.

If the gentleman will yield further, I can remember that last December 22, at a quarter to 12 the administration was begging for an energy bill, later in the day when they got word from the oil industry, they cut us off at the knees and killed the bill.

I can remember 2 weeks ago at 11 one morning they were begging for a land-use bill and later when it came up the Republicans gave us only 43 votes.

Mr. RHODES. Mr. Speaker, I do not yield further.

The gentleman from Massachusetts knows perfectly well as far as the energy bill was concerned, all they did was give us something the President would veto. They would not give us something that could be adopted.

#### A VETO-PROOF CONGRESS

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

Mr. MOSS. Mr. Speaker, I think it ill-becomes the distinguished minority leader to charge that this House has not acted on energy legislation. If the gentleman had spent the many hours this gentleman spent in working out a reasonable and a rational piece of legislation, only to have it vetoed, let me say to the gentleman that he said that this Democratic Party controls the Congress.

That is correct. But, it does not have the veto, and I hear the lament across this country of the danger to the Nation of a veto-proof Congress. I can only say in this instance that wisdom would have been better served had the Congress been veto-proof and the original energy legislation enacted into law.

#### APPOINTMENT OF CONFEREES ON S. 3007, AUTHORIZING APPROPRIATIONS FOR INDIAN CLAIMS COMMISSION

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to

the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. MEEDS, TAYLOR of North Carolina, STEPHENS, LUJAN, and REGULA.

**SENATE CONCURRENT RESOLUTION 94, ISSUING OFFICIAL DUPLICATES OF CONFERENCE PAPERS**

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate concurrent resolution (S. Con. Res. 94) to issue official duplicates of conference papers.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 94

*Resolved by the Senate (the House of Representatives concurring),* That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and directed to prepare and sign official duplicates of the conference papers of the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research, fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, what is this all about?

Mr. STAGGERS. Mr. Speaker, I should be happy to explain the concurrent resolution. Sometime last month conference papers on the bill H.R. 7724, to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, were lost in the Senate.

Mr. GROSS. Wait a minute. They were lost in the Senate?

Mr. STAGGERS. That is the information that has been given to me, sir.

Mr. GROSS. Does the gentleman mean the papers were lost?

Mr. STAGGERS. The papers were lost.

Mr. GROSS. Conference papers were lost?

Mr. STAGGERS. Conference papers were lost. That is right.

Mr. GROSS. Who lost them?

Mr. STAGGERS. We do not know who did, but yesterday the Senate adopted this concurrent resolution which directs the Clerks of the House and the Senate to prepare new papers. Since the conference report on this bill has been filed and since the Senate would like to act on it today, we are now asking for adoption of the concurrent resolution so that they can proceed.

Mr. GROSS. This does not have anything to do with Watergate, does it?

Mr. STAGGERS. This has to do with health, sir, entirely. We are now asking for the adoption of the concurrent resolution so that they can proceed today to pass the bill in the Senate.

Mr. GROSS. So, this is in the nature of bailing out the other body for having lost some important papers?

Mr. STAGGERS. That is true, and we might also sometime.

Mr. GROSS. Mr. Speaker, under the circumstances I guess the House must bow to the inevitable. I withdraw my reservation of objection.

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

The was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

**PERMISSION TO FILE CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 1062, CONTINUING APPROPRIATIONS, 1975**

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

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

The was no objection.

**CONFERENCE REPORT (H. REPT. NO. 93-1158)**

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) "making continuing appropriations for the fiscal year 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 9, 11 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 10, 12, 13, 14, 15, 17, 18 and 20, and agree to the same.

Amendment number 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,000,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "notwithstanding the fourth clause of subsection (b) of this section, activities of the Department of Health, Education, and Welfare for assistance to refugees in the United States (Cuban program) shall be funded at not to exceed the annual rate for obligations of \$100,000,000.;" and the Senate agree to the same.

GEORGE MAHON,

JAMIE L. WHITTEN,

OTTO E. PASSMAN,

DANIEL J. FLOOD,

JULIA BUTLER HANSEN,

BOB CASEY,

ELFORD A. CEDERBERG,

WILLIAM E. MINSHALL,

ROBERT H. MICHEL,

GARNER E. SHRIVER,

*Managers on the Part of the House.*

JOHN L. McCLELLAN,

WARREN G. MAGNUSON,

JOHN O. PASTORE,

ALAN BIBLE,

JOSEPH M. MONTOYA,

DANIEL K. INOUYE,

ERNEST F. HOLLINGS,  
BIRCH BATH,  
LAWTON CHILES,  
MILTON R. YOUNG,  
NORRIS COTTON,  
CLIFFORD P. CASE,  
EDWARD W. BROOKE,  
MARK O. HATFIELD,  
CHARLES MCC. MATHIAS, JR.,  
HENRY BELLMON,  
*Managers on the Part of the Senate.*

**JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE**

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Amendment No. 1: Deletes language proposed by the Senate which would have changed the basis of operation under the continuing resolution for programs funded under the Labor and Health, Education and Welfare Appropriation Act for fiscal year 1975.

Amendments Nos. 2, 3, 4, and 5: Restore matter proposed by the House and stricken by the Senate which clarifies the effective date of the resolution.

Amendment No. 6: Adopts technical change proposed by the Senate.

Amendment No. 7: Inserts language in subsection 101(a), as proposed by the Senate which provides that the current rate for all appropriations including any activity, program, or project under the Labor and Health, Education and Welfare Appropriation Act for fiscal year 1975 shall be that permitted by the specific provisions set forth in the enacting clause of Public Law 93-192.

Amendment No. 8: Provides an annual rate of \$1,000,000,000 for the continuation of support for South Vietnamese military forces under the terms of the Continuing Resolution instead of the current rate (\$1,018,000,000) as proposed by the House and an annual rate of \$900,000,000 as proposed by the Senate.

Amendment No. 9: Deletes language proposed by the Senate which would have placed a quarterly rate limitation on the funding of foreign aid activities in the continuing resolution.

In deleting the quarterly limitation, the conferees in no way wish to imply the agencies involved in the administration of the foreign aid activities can obligate funds or fund projects at an accelerated rate. The managers agree that the activities should be funded at not to exceed one quarter of the annual rate except in cases of extreme importance or in cases of dire emergencies. Even in these cases, the Committees on Appropriations of the House of Representatives and the Senate expect to be notified in advance before funds are obligated.

Due to the importance of the United States export business, the Export-Import Bank of the United States is specifically excluded from the policy set forth above.

Amendment No. 10: Adopts technical change as proposed by the Senate.

Amendment No. 11: Deletes matter proposed by the Senate related to terminating the economic stabilization program. Such activities are provided for in the Continuing Resolution at the rate of the budget estimate (\$2,560,000).

Amendments No. 12, 13, and 14: Make technical changes and include language as proposed by the Senate to provide that ac-

tivities necessary for studies relating to the environmental aspects preliminary to oil and gas leasing on the Outer Continental Shelf and activities relating to environmental studies required to respond to energy-related right-of-way requests across public lands may proceed at the budget rate.

The managers on the part of the House and Senate are in agreement that the Department of the Interior shall obligate funds provided in this subsection carefully and cautiously and shall give careful attention to the future actions of the House and Senate Appropriations Committees so that funds for these activities are not over-obligated in fiscal year 1975.

Amendment No. 15: The Conferencees have agreed that the distribution of Title I, Elementary and Secondary Education Act funds should be based upon provisions contained in H.R. 69, as passed by the Senate. The Conferencees direct that funds for Part B of Title I shall not be distributed during the period covered by this Continuing Resolution since this legislation is in conference. It is further agreed that the action of the Conferencees is without prejudice to the disposition of Part B of Title I of the authorizing legislation.

Amendment No. 16: The conferees have agreed to delete without prejudice Senate language earmarking Indian projects carried out under section 232 of the Economic Opportunity Act. The conferees agreed that language immediately preceding the Senate amendment is sufficient to allow continuation of all ongoing OEO projects, including those for Native Americans included in the Continuing Resolution.

Amendments No. 17, 18, and 19: Make technical changes as proposed by the Senate and provide a continuing rate of operations of not to exceed \$100,000,000 for the Cuban refugee program instead of the current rate (\$129,000,000) as proposed by the Senate. Under the House version of the Continuing Resolution such activities would have been continued at the rate of the budget estimate (\$60,000,000).

Amendment No. 20: Provides for continuing activities of the Subcommittee on Fiscal Policy of the Joint Economic Committee as proposed by the Senate.

GEORGE MAHON,  
JAMIE L. WHITTEN,  
OTTO E. PASSMAN,  
DANIEL J. FLOOD,  
JULIA BUTLER HANSEN,  
BOB CASEY,  
ELFORD A. CEDERBERG,  
WILLIAM E. MINSHALL,  
ROBERT H. MICHEL,  
GARNER E. SHRIVER,

*Managers on the Part of the House.*

JOHN L. McCLELLAN,  
WARREN G. MAGNUSON,  
JOHN O. PASTORE,  
ALAN BIBLE,  
JOSEPH M. MONTOMA,  
DANIEL K. INOUYE,  
ERNEST F. HOLLINGS,  
BIRCH BAYH,  
LAWTON CHILES,  
MILTON R. YOUNG,  
NORRIS COTTON,  
CLIFFORD P. CASE,  
EDWARD W. BROOKE,  
MARK O. HATFIELD,  
CHARLES McC. MATHIAS, JR.,  
HENRY BELLMON.

*Managers on the Part of the Senate.*

eration of the bill (H.R. 13370) to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

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

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the gentleman from Arkansas if he will explain the legislation.

I yield to the gentleman from Arkansas for that purpose.

Mr. MILLS. Mr. Speaker, I thank my friend, the gentleman from Pennsylvania, for yielding. Mr. Speaker, the purpose of H.R. 13370, as reported, is to suspend until June 30, 1976, the duty on imports of catalysts of platinum and carbon when imported for use in producing caprolactam.

Caprolactam is a chemical used in producing nylon-6 which, in turn, is used mainly in the manufacture of fabrics, tires, and plastics. Caprolactam is produced by three firms domestically and presently is in short supply in world markets. One of the domestic producers has initiated a new process for producing caprolactam which utilizes specially designed and compounded catalysts of platinum and carbon. These catalysts are not available from domestic catalyst producers because of the commitment of certain required raw materials to the production of catalytic converters for the automobile industry. Thus, the catalysts used by the caprolactam producer in Georgia must be imported.

The platinum and carbon catalysts are dutiable under item 656.05 of the Tariff Schedules of the United States as articles of platinum at a duty rate of 20 percent ad valorem from countries enjoying most-favored-nation status, and a duty rate of 65 percent ad valorem on imports from Communist countries except Poland and Yugoslavia.

In developing and putting into operation the new process for producing caprolactam, the firm utilizing the new process has been importing the catalysts of platinum and carbon from West Germany, and the committee is informed that the producer imports about a \$300,000 shipment of the catalysts every 3 months.

Generally, the usefulness of precious metal catalysts such as these can be extended from time to time by restoring the carbon base. Such an operation is normally performed by the user in his plant. In this case, however, neither the caprolactam producer nor domestic catalyst manufacturers can restore the carbon base. Thus, it has been necessary for the caprolactam producer to return the spent catalysts containing the platinum to the German manufacturer in order that the platinum may be recycled into new catalysts.

Under existing provisions of the Tariff Schedules, each entry of the platinum

and carbon catalysts is dutiable despite the fact that such catalysts contain platinum on which U.S. duty has been paid previously. The necessity to repeatedly pay duty on imports of a product containing precious metals on which the duty has already been paid is a questionable cost burden in the domestic production of a chemical already in short supply.

H.R. 13370 provides for the duty suspension on imports of platinum and carbon catalysts when imported for use in producing caprolactam on or after the date of enactment. In addition, the bill provides that upon appropriate request, entries after October 1, 1973, and before the date of enactment may also be accorded duty-free treatment.

Mr. Speaker, the committee has received favorable reports from the Departments of State, Treasury, Labor, and Commerce, as well as an informative report from the U.S. Tariff Commission. The committee is also informed that there is no objection to the provisions of the bill by domestic producers of caprolactam or domestic catalyst manufacturers.

In view of the worldwide shortage of caprolactam and the circumstances under which the platinum and carbon catalysts are being imported for use in producing caprolactam, your committee was unanimous in favorably reporting H.R. 13370 and urges its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman from Arkansas for his explanation.

Mr. Speaker, I support H.R. 13370, a bill to suspend for 2 years the duty on catalysts of platinum and carbon used in producing caprolactam.

The catalysts are dutiable under item 656.05 of the Tariff Schedules as platinum articles at a rate of 20 percent ad valorem from countries enjoying most-favored-nation status and at a 65-percent ad valorem rate from other countries.

Our committee was informed that there are three domestic producers of caprolactam, a chemical used in the manufacture of fabrics, tires and plastics. One of these producers has begun using a new production process utilizing the platinum and carbon catalysts, which are not available domestically for this purpose. Therefore, they must be imported, and our committee understands that a firm in West Germany is the principal supplier.

Generally, precious metal catalysts such as these can be restored after use by a process which rebuilds the carbon base. In this case, it has been necessary for the domestic caprolactam producer to return its used catalysts to the West German manufacturer for restoration. And under existing provisions of our Tariff Schedules, each reentry of the catalysts is dutiable, even though the duty may have been paid previously on the platinum content. This understandably has placed a questionable cost burden on the domestic producer of a chemical already in short supply.

#### SUSPENSION OF DUTY ON CATALYSTS OF PLATINUM AND CARBON

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consid-

Favorable reports on this legislation were received by our committee from the interested executive departments and agencies, and an informative report was received from the Tariff Commission. No objection to the bill was voiced, and the committee was unanimous in ordering it reported. For these reasons, Mr. Speaker, I urge the adoption of H.R. 13370.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately after item 911.16 the following new item:*

“911.40 Catalysts of platinum and carbon (provided for in item 656.05, part 36, schedule 6) when imported for use in producing caprolactam. Free Free On or before June 30, 1976.”

SEC. 2. (a) The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) Upon request therefor filed with the customs officer concerned on or before the one hundred and twentieth day after the date of the enactment of this Act, the entry or withdrawal of any article—

(1) which was made after October 1, 1973, and before the date of the enactment of this Act, and

(2) with respect to which there would have been no duty if the amendment made by the first section of this Act applied to such entry or withdrawal,

shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as though such entry or withdrawal had been made on the date of the enactment of this Act.

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.

#### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. 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. 330]

Ashley	Daniels,	Gude
Barrett	Dominick V.	Hansen, Wash.
Blatnik	Derwinski	Harrington
Boggs	Diggs	Holt
Brasco	Dorn	Kuykendall
Carey, N.Y.	Drinan	Macdonald
Chisholm	Esch	Madigan
Clark	Gettys	Michel
Conlan	Gray	Mollohan
Conyers	Griffiths	Murphy, N.Y.

Parris	Rousselot	Stephens
Randall	Shuster	Teague
Reid	Sikes	Thompson, N.J.
Rooney, N.Y.	Stark	

The SPEAKER. On this rollcall 394 Members have recorded their presence by electronic device, a quorum.

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

#### CONFERENCE REPORT ON H.R. 12799, AMENDING THE ARMS CONTROL AND DISARMAMENT ACT

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1974.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with, and I will attempt to explain the conference report.

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

There was no objection.

Mr. MORGAN. Mr. Speaker, on this bill, the only issue in conference was whether the authorization for the Arms Control and Disarmament Agency should be for 1 year or for 2 years.

The House voted a 1-year authorization of \$10.1 million for fiscal year 1975.

The Senate voted \$10.1 million for fiscal year 1975 and \$10.9 million for fiscal year 1976—for a total of \$21 million.

The Senate receded to the House position.

The Senate made a number of minor technical, clarifying and conforming amendments to the bill. With respect to those amendments, the House conferees receded.

In effect, the conference version of H.R. 12799 is the same as the bill which the House passed by voice vote on April 24, 1974.

Mr. FRELINGHUYSEN. Mr. Speaker, I fully support the conference report on H.R. 12799, the Arms Control and Disarmament Act.

The principal difference in the House and Senate bills was that the House provided a 1-year authorization, while the Senate authorized appropriations for 2 years. Both bills authorized \$10.1 million for fiscal year 1975.

Members may recall that the House Foreign Affairs Committee had approved a 1-year authorization, instead of the 2 years requested by the executive branch, in order to conduct an indepth study of the Agency's activities and role in formulating arms control policy. The conferees

agreed with the House position, authorizing funds for 1 year.

I urge approval of the conference report.

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

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

Mr. GROSS. I thank the gentleman for yielding.

First of all, I want to compliment the committee for limiting the funding of this Agency to 1 year. After this week I wonder if the Agency will be necessary at all; if we will have to continue forever and a day appropriating \$10 million for alleged disarmament. I would hope that next year the committee would give serious consideration to cutting this outfit down to size progressively, and start with about \$5 million. I think it can exist on much less money than it has been getting.

I do appreciate the fact that it is limited to 1 year, but then we are told that the future of the Agency will be studied for a year or two.

Mr. MORGAN. The Subcommittee on National Security Policy will conduct an indepth study of next year's authorization.

Mr. GROSS. I am glad to hear it will be an indepth study. I would not want any other kind of study.

Mr. MORGAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### CONFERENCE REPORT ON H.R. 12412, FOREIGN DISASTER ASSISTANCE ACT, 1974

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1974.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

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

There was no objection.

Mr. MORGAN. Mr. Speaker, the conference report on H.R. 12412—the Foreign Disaster Assistance Act of 1974—authorizes \$150 million for disaster relief and emergency needs of the drought-stricken nations of Africa, Nicaragua, and Pakistan.

The appropriations for this bill have

already been passed by Congress, subject to authorizing legislation.

The \$150 million includes \$85 million for the drought-stricken African nations: \$15 million for Nicaragua, for recovery from her earthquake; and \$50 million for Pakistan for flood relief.

On the main differences between the House and the Senate versions of H.R. 12412, the Senate conferees yielded on all except one.

The Senate added \$35 million for assistance to the drought-stricken nations of Africa, of which not less than \$10 million was for Ethiopia.

This amount was added by the Senate following new information about the extent of the famine in Africa which was not available at the time of House action on the bill.

After a long discussion, the House conferees yielded on this amendment, after placing a \$10 million ceiling on the aid for Ethiopia.

As I said earlier, the full amount involved in this conference report has already been appropriated in Public Law 93-240 and Public Law 93-305.

The Senate gave in on House language which applies the restrictions of present law to all assistance under the bill except to the drought-stricken nations of Africa.

The House conferees retained a provision which many members feel is the most important feature of this bill. When enacted, this provision will be the first legal requirement for the executive branch to consult with Congress before it enters into an agreement rescheduling or forgiving debts owed to the United States.

The conference report established a new requirement concerning advance notification to the Congress on each proposed international agreement with a foreign government liberalizing the repayment terms of one or more loans to such government extended under the Foreign Assistance Act of 1961, as amended. The managers agree that the section in the report requires the executive branch to notify the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations of proposed negotiations relating to such agreements and to provide such further information on the status of negotiations as the committees may seek. The conference report also requires that the Secretary of State transmit to such committees, in appropriate fashion, the text of each such international agreement with such debtor foreign government at least 30 days before it enters into force.

The conferees recognize that information supplied hereunder may be such that its disclosure may prejudice U.S. bargaining positions and that it will be handled under appropriate conditions of confidentiality.

Mr. Speaker, the House conferees did their best to uphold the position of the House. The Senate conferees pressed hard for their version of this bill.

I believe we ended up with a compromise which is fair to both houses.

The Senate adopted the conference report last Friday.

I urge the House to adopt the conference report.

Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Speaker, I strongly support this conference report on the Foreign Disaster Assistance Act of 1974.

In my opinion this report represents a good compromise between the House and the Senate bills. We agreed upon \$65 million for Pakistan and Nicaragua, the same as the House bill. We also agreed to provide \$85 million in assistance to the drought-stricken nations of Africa, of which not more than \$10 million is for Ethiopia. The House bill had provided \$50 million for assistance to the Sahelian nations of Africa, with no provision for Ethiopia.

Mr. Speaker, you will recall that in December 1973, the Congress passed an appropriation of \$150 million for disaster relief to these areas, contingent upon enactment into law of authorizing legislation. This aid is urgently needed to help meet the grave situation in Africa where drought and famine continue to plague millions of people. It is also needed to continue our assistance to the earthquake victims in Nicaragua and the flood victims of Pakistan.

I urge approval of this conference report.

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

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

Mr. GROSS. Mr. Speaker, this then is now up to \$150 million?

Mr. MORGAN. That is correct.

Mr. GROSS. By the addition of \$10 million for Ethiopia?

Mr. MORGAN. That is in the \$150 million, that is in the African part of the amount.

Mr. GROSS. So we now have \$150 million addition to foreign aid?

Mr. MORGAN. This bill passed the House with a cut of \$35 million.

Mr. GROSS. I thank the gentleman.

Mr. MORGAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### OLDER AMERICANS ACT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 9, insert:

Sec. 2. (a) Section 201(a) of the Older Americans Act (42 U.S.C. 3011) is amended by striking out everything in such section that follows the word "Commissioner" the second time it appears in the fourth sentence of such section and inserting in lieu thereof a period.

(b) Any delegation of the functions of the Commissioner on Aging in effect on the date

of enactment of this Act, issued pursuant to section 201(a) of such Act, shall be modified by the Commissioner to comply with the provisions of the amendment made by this section.

Sec. 3. Title III of the Older Americans Act of 1965 (42 U.S.C. 3021ff.) is amended by adding the following new section:

#### "TRANSPORTATION PROJECTS"

"Sec. 309. (a) There are authorized to be appropriated \$35,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this section. From sums appropriated under this section, the Commissioner is authorized to make grants to each State having a State plan approved under section 305 for the purpose of paying up to 75 per centum of the costs of meeting the transportation needs of older persons, with special emphasis on providing supportive transportation in connection with nutrition projects operated pursuant to title VII of this Act. Sums appropriated under this section shall be allotted to the States in accordance with the allotment formula contained in section 303.

"(b) The allotment to a State under this section shall remain available until December 31, 1975, for grants and contracts to area agencies on aging, organized under section 305(b), or to other public or nonprofit private agencies that the State agency determines have the capacity to meet the transportation needs of older persons and to provide supportive transportation services in connection with nutrition projects operated under title VII. In making grants and contracts under this section, State agencies shall give priority to applicants proposing to serve areas in which there is no public transportation or in which existing public transportation is inadequate to meet the special needs of older persons.

"(c) Within ninety days following the enactment of legislation appropriating funds as authorized by this section, the Commissioner shall issue final regulations for implementation of the program herein authorized.

"(d) The Commissioner is authorized and directed to request the technical assistance and cooperation of the Secretary of Transportation and such other departments and agencies of the Federal Government as may be appropriate for the proper and effective administration of this section."

Sec. 4. Section 201(a) of Public Law 93-113 (87 Stat. 401, October 1, 1973) is amended by inserting at the end thereof the following new sentence after clause (4): "In no event shall the required proportion of the local contribution (including in-kind contributions) for any new grant or contract be more than 10 per centum, nor shall the proportion of such contribution for any renewal of any existing grant or contract be increased by more than 50 per centum over the proportion of such contribution required in the preceding such grant or contract, nor shall any such required contribution in any case be more than 40 per centum of the total cost of any such grant or contract."

Sec. 5. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than 10 cents per meal: *Provided*, That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from the home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and

meat alternates. The Secretary of Agriculture in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities.

"(e) The Secretary of Agriculture in consultation with the Commissioner shall, within ninety days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title."

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

**MR. QUIE.** Mr. Speaker, reserving the right to object, I shall not object because I support what the gentleman from Indiana is proposing to do, but I believe it would be wise if the gentleman would explain a little bit about what this amendment will do. I yield to the gentleman from Indiana for that purpose.

**MR. BRADEMAS.** Mr. Speaker, I rise in support of H.R. 11105, as amended by the other body, a bill to extend for 3 years title VII of the Older Americans Act which provides nutrition programs for Americans aged 60 and over.

Mr. Speaker, I believe that few Members of the House will have any quarrel with this legislation, because on March 19 of this year, the House approved H.R. 11105 by a vote of 380 to 6, and on June 19, the other body approved the measure, with amendments, by a vote of 90 to 0.

But I do want to remind my colleagues of what this measure means to hundreds of thousands of our elderly fellow citizens, and I want to say something, too, of the amendments approved by the other body.

#### PURPOSE OF THE LEGISLATION

Mr. Speaker, the nutrition program for the elderly, enacted into law in 1972 by Public Law 92-248, initially began as a demonstration program under the Older Americans Act.

The program is designed to provide Americans aged 60 and over, and, in particular, the needy elderly, with one, hot, nutritious meal a day, 5 days a week, in a community setting.

I should stress, Mr. Speaker, that although the nutritional aspects of this program are important in that better diet improves the health of the elderly, the nutrition program also makes it possible for older people to share the daily companionship of others who share their interests.

Finally, Mr. Speaker, I should note that the nutrition programs funded under title VII of the Older Americans Act provide an excellent incentive for senior citizens to leave the seclusion of their homes and participate in the social, recreational, and health services available in comprehensive senior citizens centers.

Mr. Speaker, although the programs funded under this measure are only now getting under way due to repeated Presidential vetoes of the appropriations bills designed to fund it, we are already able to cite significant progress in the implementation of the program.

As of June 14, 664 nutrition projects were serving 192,859 meals daily at 4,714 sites. When the program becomes fully

operational, it is estimated that 212,000 meals daily will be served.

Mr. Speaker, that is an impressive record for a program which began less than a year ago. But it is a record, I think, that is evidence of the overwhelming bipartisan support for this legislation as well as of the extraordinary enthusiasm with which the program has been received by State and local officials, as well as the elderly themselves.

#### AMENDMENTS TO THE HOUSE BILL

Mr. Speaker, let me now turn to the amendments which the other body made to the House-passed bill.

There are four.

The first relates to the transportation requirements for the nutrition program for the elderly.

The second relates to the use of surplus commodities in the nutrition program for the elderly.

The third amendment would prohibit the Commissioner on Aging from delegating any of his functions to other officials of the Department of Health, Education, and Welfare or its regional offices.

The fourth and final amendment, Mr. Speaker, amends the provisions of the retired senior volunteer program authorized by the Domestic Volunteer Service Act of 1973, Public Law 93-113.

Mr. Speaker, let me say a word about each of these amendments.

#### TRANSPORTATION REQUIREMENTS

Mr. Speaker, the existing legislation authorizing nutrition programs for the elderly contains a 20-percent limitation on the funds which programs may expend upon transportation in order to bring the elderly to meal centers.

We wrote this provision into law in the hope of encouraging nutrition programs to expend as much of their funds as possible on meals.

But we have found this limitation, Mr. Speaker, to be counterproductive.

For soaring gasoline costs, occasioned by the energy shortage, have driven up transportation costs across the land.

And the lack of adequate public transportation facilities, especially in rural areas, means that many senior citizens are unable to come to meal centers.

The amendment adopted by the other body, Mr. Speaker, authorizes \$35 million for fiscal year 1975 to begin a new transportation program under title III of the act, but operated in conjunction with the title VII nutrition programs. The moneys are to be allocated to the States on the same formula used in title III of the Older Americans Act.

Mr. Speaker, this is a good amendment, which I fully endorse, and I hope that most of my colleagues will be happy to join with me to support it.

#### SURPLUS COMMODITIES

The second amendment, Mr. Speaker, relates to the use of surplus commodities in the nutrition program.

Mr. Speaker, the 1973 amendments to the Older Americans Act made nutrition programs for the elderly eligible for participation in the Department of Agriculture's commodities program.

But, I regret to tell my colleagues, there appears to have been very little cooperation between the Department

of Agriculture and the Department of Health, Education, and Welfare with respect to providing commodities to nutrition programs for the elderly.

In the State of Maryland, for example, which is operating a \$1.5 million nutrition program, less than \$200 worth of donated commodities were made available during the first 6 months of operation of the programs.

The amendment added by the other body is aimed at two basic objectives.

First, it directs the Secretary of Agriculture to maintain an annual level of assistance for title VII programs of 10 cents per meal served. This amount will be adjusted to reflect changes in the Consumer Price Index of food.

Let me just point out to my colleagues, Mr. Speaker, that this language parallels that of the existing school lunch program.

The second objective, Mr. Speaker, is designed to clarify the responsibility for issuing regulations to implement provisions relating to donating commodities to nutrition programs for the elderly. The amendment, therefore, requires the Secretary of Agriculture, in cooperation with the Commissioner on Aging, to issue regulations, within 90 days of enactment of H.R. 11105, relative to the donation of commodities and the use of food stamps in nutrition programs.

Mr. Speaker, these provisions should go a long way to improving the operation of nutrition programs for our senior citizens.

#### DELEGATION OF AUTHORITY

Now, Mr. Speaker, let me touch on the third amendment, which would forbid the Commissioner on Aging from delegating any of his responsibilities.

Mr. Speaker, my colleagues are aware that since 1965, when we first established the Administration on Aging, under the direction of a Presidential appointed Commissioner on Aging, Congress has intended that the Administration on Aging serve as a highly visible focal point for the aging in the Federal Government.

And I think my colleagues know, too, that under both Democratic and Republican administrations, the executive branch has tried to submerge the Administration on Aging within layers of bureaucracy.

In 1967, for example, the Presidential appointed Commissioner on Aging was placed under the authority of the Administrator of the Social and Rehabilitation Service—an officer appointed by the Secretary of the Department of Health, Education, and Welfare.

In 1973, Mr. Speaker, Congress insisted that the Administration on Aging be lifted out of the bowels of the bureaucracy, and the 1973 amendments to the Older Americans Act placed AOA in the Office of the Secretary, and stipulated that the Commissioner could not delegate any of his responsibilities to any officer not directly responsible to him without the approval of Congress.

Since last November, Mr. Speaker, the administration has been seeking to implement a plan for delegating certain responsibilities of the Commissioner on

Aging to the HEW regional directors in the 10 Federal regions.

On November 5, 1973, the Secretary submitted such a delegation to Congress but subsequently withdrew it because Congress adjourned prior to the expiration of the statutorily required 60-day notice period.

On March 26, another plan for delegating some of the Commissioner's responsibilities to the HEW regional directors was submitted to Congress.

The proposed delegation to HEW Regional Directors runs directly contrary to these goals of the 1973 legislation. It would again fragment responsibility. Rather than one national policy, we would surely find 10 regional policies. And instead of one official clearly answerable to Congress for administration of programs under the Act, there will be a host of officials making decisions who are ultimately not directly responsible to the Commissioner, regardless of all the guidelines and policies he may attempt to impose on them.

This is not to say that the program can only be operated out of Washington. The committee amendment does not affect the Commissioner's authority to delegate the performance of some of his functions to officers in the regions who are, in fact, directly responsible to him, with their actions subject to his review. We stress that the official to whom the Commissioner chooses to delegate a portion of his duties must actually be directly responsible to him; any effort to designate some official other than one who is a part of the Administration on Aging, or who is the Commissioner's counterpart on the regional level, would clearly be a subterfuge, not to be countenanced under the committee amendment.

The amendment offered by the other body, Mr. Speaker, removes the Secretary's authority to make such delegations to officials not directly responsible to the Commissioner on Aging.

Mr. Speaker, this is a sound amendment which will reiterate once again congressional intent that the Administration on Aging be a strong, viable, central voice for the elderly of our Nation.

#### RETIRING SENIOR VOLUNTEER PROGRAM

Mr. Speaker, with regard to the amendment to the RSVP program, I will offer a substitute for section 4 of the Senate amendment to H.R. 11105. My amendment has the agreement of the ranking minority member of the Education and Labor Committee, Mr. QUIE, and of the sponsors from the other body of the original amendment, as well as the general concurrence of the ACTION Agency, which is responsible for administering the RSVP program.

The Senate amendment would have amended section 201(a) of Public Law 93-113, the Domestic Volunteer Service Act of 1973, by establishing percentages for local contributions by project sponsors which could be required by the ACTION Agency in connection with RSVP grants and contracts. Under the Senate provision, no first year grant could have required a local contribution in excess of 10 per centum of the total

amount of the grant, and no subsequent grant or contract could have required a local contribution in excess of 40 percent of such total. Further, under the Senate provision, the local share percentage after the first year could not have been increased by more than 50 percent over the percentage of the preceding year.

Although I am generally supportive of the principles underlying the Senate RSVP amendment—and I have certainly received much communication from RSVP projects around the country supporting the Senate provision—at the same time I am of the opinion that the Senate provision is somewhat too restrictive and would lead to inequitable results and maladministration.

As a result we undertook to work out a compromise which closely parallels the revised RSVP local-share policy set forth in the June 18, 1974, letter from the ACTION Agency to the House committee. An identical letter was sent to the Senate committee and was included in the RECORD (S10983-S10984) during the consideration of the Senate amendment in the other body.

Mr. Speaker, we undertook to work this matter out in consultation with the principals in the other body and with the ACTION Agency. I am indebted, as always, to the distinguished gentleman from Minnesota (Mr. QUIE) who has been so helpful and cooperative in this matter, and also to the distinguished senior Senator from California in the other body, Mr. CRANSTON, who has worked so closely with us to reach a satisfactory accommodation of all viewpoints.

Mr. Speaker, in fact I believe that the substitute amendment we have agreed to has all the strong features of the original Senate amendment and is not subject to some of its weaknesses.

Under the substitute provision, the first year RSVP local-contribution proportion could not be set by the Agency at any more than 10 percent, the second year at any more than 20 percent, the third year at any more than 30 percent, the fourth year at any more than 40 percent, and the local share contributions in subsequent years under subsequent grants or contracts could not exceed 50 percent. In addition, the substitute provides specifically for exceptions to be made by the Agency Director based on demonstrated need, as determined by particular local financial capability in accordance with Agency regulations, so that amounts lower than the local share standards which Agency regulations would require could be permitted by the Agency based on individual project needs.

Mr. Speaker, we are in full accord with the purposes of the other body to provide for a flexible policy that does not seek to impose arbitrary, rigid guidelines for local contributions.

Mr. Speaker, it should also be clearly understood, as pointed out during debate on the Senate amendment in the other body, that the local share amounts in the new statutory provision only limit what the Agency may require—and I stress require—from local projects and in no way limits what additional sums project sponsors may voluntarily offer to

contribute to the Agency, which, of course, the Agency may accept as a gift pursuant to section 402(5) of Public Law 93-113.

In addition, Mr. Speaker, we agree fully with the language in the Senate committee report (No. 93-932) on page 15, which I ask to be set forth in the RECORD at this point, regarding the need for a liberal in-kind contribution policy as well as the need that no arbitrary limit should be imposed on the total dollar amount of Federal funding for a particular project nor on the increase in total Federal funds from 1 year to the next. The language to which I refer follows:

The Committee further expects the ACTION Agency to apply a liberal in-kind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the Committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.

Furthermore, no arbitrary limit should be imposed on the total amount of Federal funding for a project, nor on the increase in funds from one year to the next. Provision needs to be made in any funding guidelines for the expansion and growth of R.S.V.P. projects that show good results in meeting basic program objectives, and to support such growth both through increasing local contributions and, where indicated, through increasing Federal funds.

Finally, Mr. Speaker, we are in agreement with the other body that it will be necessary for our respective committees to monitor closely the implementation of the new statutory provision by the ACTION Agency.

To assist us in that monitoring activity, we will expect that the Agency will communicate with us specifically in the following respects. First, we expect the Agency to consult with us in advance prior to publishing for public comment in the Federal Register its regulations regarding the RSVP local contribution.

Second, Mr. Speaker, we expect the Agency to notify us immediately upon making an RSVP grant or contract in which there is a local contribution in excess of 40 percent of the total cost.

Finally, Mr. Speaker, we expect the ACTION Agency to submit to us every 4 months a list of RSVP project grants and contracts, the dollar amounts involved, and the local share, amount and percentage, being provided—both required or voluntarily contributed—by each project, including a specification of the amount which is an in-kind contribution and the amount which is in cash.

Mr. Speaker, I hope that the House will support fully this amendment. I have every assurance that the other body will rapidly concur in this amendment and send the bill to the President prior to the July recess.

#### CONCLUSION

Mr. Speaker, H.R. 11105, as amended, is a fine bill, worthy of the strong support of every Member of Congress.

It received the overwhelming bipartisan support of both the House and the Senate during its initial consideration, and I am confident it will enjoy such support again today.

Mr. QUIE. Mr. Speaker, I concur with the remarks of the gentleman from Indiana (Mr. BRADEMAS) with respect to the proposed amendment to the Committee amendment. The intention is to permit the Director of ACTION to increase the required local share of funding for RSVP programs each year in 10 percentage point increments until it reaches 50 percent in the fifth year of a program. However, the Director is given discretion to reduce the required local share, based upon an assessment of the local fiscal capacity to provide funds. Obviously, this will vary from situation to situation and from time to time.

The Director can establish lower local shares for all programs if he sees fit to do so. At the same time, it is useful to stress that the upper limitation on the local share applies only to the share which the Director may require. If a community voluntarily comes forth with a proposal to fund 75 or 80 percent of an RSVP program, then that should not be rejected because it means that the Federal funds go farther, reaching more communities and more persons 60 years of age or older who wish to take part in this extremely worthwhile program.

I think the proposed amendment is superior to the Senate language because it is easier to understand and provides greater flexibility in determining the local share. As I have said, the Retired Senior Volunteer program is an excellent one, involving over 85,000 senior volunteers in over 600 programs. It is one which deserves continued Federal support, which this amendment should facilitate.

Mr. Speaker, the Senate amendment to H.R. 11105, which we are accepting with a single change, did make other changes in the House-approved measure. While these are in my judgment acceptable, and even commendable, they require at least a brief discussion.

The two major changes involved the addition of a \$35 million authorization for fiscal 1975 for grants to the States under the Older Americans Act for transportation projects. Since transportation is very often a critical problem in all of the programs for the elderly, including nutrition, this 1 year authorization to speed progress on overcoming this problem seems entirely reasonable.

The other major change was made in title VII—the nutrition program—which would mandate support of the program in the form of commodity purchases at a level of not less than 10 cents per meal served, with an escalator clause based upon the Consumer Price Index for food away from home. Currently, with 52,000 meals being served the cost of this provision would be \$5,200,000. It was offered as an amendment on the floor by the distinguished junior Senator from Maryland (Senator BEALL), who deserves considerable credit for the time and effort he has devoted to this endeavor. One of the results in all likelihood will be to accelerate moves to tie the nutrition for the elderly program more closely to the school lunch program, where that is possible, with obvious advantages in the utilization of the schools as a resource for the total community.

The only remaining change was an amendment to section 201(a) of the Older Americans Act which would prevent the Secretary of HEW from approving a delegation of the functions of the Commissioner on Aging to an officer not directly responsible to the Commissioner. I understand that this amendment is aimed at eliminating a proposed delegation of such functions to Regional Directors of HEW who are not responsible to the Commissioner, and I cannot help but conclude that this would strengthen the Administration on Aging.

With respect to the extension of the basic authority for the nutrition for the elderly program (title VII) for 3 years—until June 30, 1977—the House and Senate bills are identical.

Accordingly, Mr. Speaker, I am in agreement with the Senate amendment, with the amendment to it we have proposed, and urge that the motion be agreed to.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

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

Mr. STEIGER of Wisconsin. I appreciate the gentleman from Minnesota yielding under his reservation. I concur with the decision made by both the gentleman from Indiana and the gentleman from Minnesota on the amendment which is now before us to deal with the RSVP program.

I think, Mr. Speaker, that the Members of the House ought to be aware that the ACTION Agency undertook on its own accord in January 1974 to significantly modify the requirements insofar as matching funds are concerned for local communities for RSVP. The amendment in the other body was too restrictive. The House amendment being offered today deals effectively with the problem that has been created by a policy decision made by ACTION without foundation.

I urge the House to support the amendment.

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

There was no objection.

MOTION OFFERED BY MR. BRADEMAS

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

The Clerk read as follows:

Mr. BRADEMAS moves that the House concur in the Senate amendment with an amendment, as follows: In lieu of the matter proposed to be inserted for section 4 of the Senate amendment, insert the following:

SEC. 4. Section 201 of Public Law 93-113 (87 Stat. 401, October 1, 1973) is amended by inserting the following new subsection (b) after subsection (a) and redesignating the present subsection (b) as subsection (c):

"(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however,* That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assist-

ance under this section, to permit a lesser local contribution proportion than any required contribution proportion established by the Director in generally applicable regulations."

The motion was agreed to.

The Senate amendment as amended was concurred in.

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 extend their remarks on the legislation just passed.

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

There was no objection.

#### PRINTING OF REPORT OF SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up the Senate concurrent resolution (S. Con. Res. 86) authorizing the printing of additional copies of the hearings and final report of the Senate Select Committee on Presidential Campaign Activities, and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 86

*Resolved by the Senate (the House of Representatives concurring),* That the authorization (pursuant to S. Con. Res. 29, Ninety-third Congress, agreed to June 28, 1973) for the Senate Select Committee on Presidential Campaign Activities to have printed for its use five thousand additional copies of its hearings on illegal, improper, or unethical activities during the Presidential election of 1972 be extended through the duration of its existence as a select committee.

SEC. 2. There shall be printed for the use of the Senate Select Committee on Presidential Campaign Activities six thousand additional copies of its final report to the Senate.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: SPACE, SCIENCE, VETERANS, AND CERTAIN OTHER INDEPENDENT AGENCIES APPROPRIATION BILL, 1975

Mr. BOLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from California (Mr. TALCOTT) and myself.

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

There was no objection.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15572, with Mr. O'HARA in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Massachusetts (Mr. BOLAND) will be recognized for 1 hour, and the gentleman from California (Mr. TALCOTT) will be recognized for 1 hour.

The Chair recognizes the gentleman from Massachusetts (Mr. BOLAND).

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

Mr. Chairman, we bring before the Committee today the HUD, Space, Science and Veterans appropriation bill for 1975. The bill provides funding for 10 independent agencies and for the vital and important missions of the Department of Housing and Urban Development. This may not be a perfect bill, but I believe most members of the subcommittee will agree on balance that it is a good bill.

The recommendations contained in this bill were not reached without long and serious deliberations. These recommendations reflect the many delicate issues faced by the subcommittee, particularly in the areas of housing and community development. I believe that the decisions reached in this bill are fair and reasonable.

Mr. Chairman, I want to pay special tribute to the other 10 members of our subcommittee and to the very remarkable and knowledgeable and industrious staff headed by Homer Skarin, Richard Malow, and Paul Thomson. All have contributed significantly to the final product which is before the Committee today.

In summary, Mr. Chairman, the committee recommends a total of \$20,846,332,000 in new obligatory authority for the agencies covered by the bill for the fiscal year 1975. This is \$41,519,000 below the budget estimates considered, and is \$212,296,000 above the comparable amounts appropriated for 1974.

The Committee has deferred action on an additional \$2,105,000,000 requested for a community development grant program. The committee will consider funding this request when final congressional action on the Housing and Urban Development Act of 1974 has been completed and signed.

Finally, the committee recommends a total of \$244,291,000 for the administrative and nonadministrative expenses of the Federal Housing Administration and Federal Home Loan Bank Board.

Mr. Chairman, last year the committee warned that a continued suspension of the subsidized housing programs could really damage the building industry.

Although a small number of reservations have been issued since last September, for all practical purposes, the housing moratorium has now been in effect for 18 months. This fact, combined with accelerated interest rates and unchecked inflation, has resulted in a serious housing recession.

Housing starts are estimated to reach only 1.6 million in 1974, down from 2.4 million in 1972.

While the committee never endorsed total suspension of the subsidized programs, it did strongly urge that a comprehensive housing evaluation should be undertaken. The need for such a study was clear. By the end of this fiscal year, HUD will have foreclosed on 141,000 subsidized housing units. That figure could reach 200,000 by the end of 1975.

Those kinds of statistics left little doubt that the existing subsidized programs needed to be looked at. HUD completed a review last September. It concluded that the existing subsidized programs were too costly, that they were not equitable because they reached only 6 percent of the eligible population, and that they were wasteful because they concentrated on new construction rather than making use of good existing housing.

The validity of those conclusions is subject to long arguments and different interpretations. The committee has not taken a position on the housing study conclusions. Rather, it is troubled by the Department's proposed substitute for the existing programs.

What concerns the committee is the fact that the new program fails to meet any of the three tests applied to the existing programs in recommending their replacement.

First, 70 percent of the revised section 23 program is allocated for new construction, not existing housing as the study recommended.

Second, the new program will reach few, if any, additional low-income families above the level covered under the existing programs.

Finally, the revised section 23 program, the committee believes, is clearly not any less costly than the existing program. In fact, the committee believes it could be more costly, even if all direct and indirect costs are considered.

Many potential participants were also troubled by these inconsistencies, and before our committee they expressed serious doubts that the new leasing program is the right formula. But the first responsibility of this committee is to protect the public purse.

Our concern is with the cost of the new program; and for that reason, the committee has urged HUD to continue the section 236 rental housing program in combination with the new section 23 revised leasing program. In that way, we can make a valid cost comparison between the existing program and the new program. The committee is not interested in killing the new program. On the contrary, if it works and if it does not cost the Sun and the Moon, we will support it, but we would not be meeting our responsibilities if we did not ask the question, "What will it cost?"

In this bill, Mr. Chairman, for urban renewal programs, the committee has recommended \$200 million, the full balance of available authority under that program.

As to the Model Cities program, for that program \$125 million is recommended for the 6-month transitional period. For comprehensive planning grants, the committee is providing \$100 million to continue orderly planning support in 1975 and 1976. This is \$10 million below the budget request.

Finally, the committee has approved \$70 million for the rehabilitation loan fund, the section 312 program. Taken together with loan repayments, it is estimated that nearly \$90 million will be available to maintain this very successful program in fiscal year 1975. The rehabilitation loan program is a good program.

The committee urges in its report that it be continued, at least until the new community development program is well underway.

Mr. Chairman, I recognize that some have asked why the committee has deferred funding the balance of the new Community Development grant request, and the answer is very simple. Although the House has passed a bill approving the new program, the bottom line has yet to be written. No one knows what the conference agreement will produce. My own judgment and my own hope is that a conference between the House and the Senate on the housing bill for 1974 will produce something which is closer to the House's figures.

However, the committee feels strongly that a new program of this magnitude should not be funded until the full dimensions of the pending legislation are known. When the Congress has approved the final version of the bill, the committee will act expeditiously to consider the balance of the request.

As I said at the outset, none of these decisions affecting HUD were reached without very serious deliberation. Given the time frame and given the various uncertainties surrounding these programs, I think it is fair to say that the recommendations contained in this bill are reasonable and equitable.

VETERANS' ADMINISTRATION

Turning to the Veterans' Administration, the committee recommends a total of \$13,414,680,000 in new budget authority for the veterans' programs. This represents an increase of \$39,944,000 over the budget estimate and an increase of \$54,760,000 above current appropriations.

Mr. Chairman, the VA has come in for a good deal of criticism, some of which is justified, in the past months. As I have said, some of it is warranted; some of it is not. When we consider the magnitude of the VA's mission, I think the Members of Congress can agree that it truly does a fantastic job.

The funds recommended in this bill will provide benefits and services—I wish the Members would listen to this—to 29,100,000 veterans, to 65,800,000 members of their families, and to 3,800,000 survivors of deceased veterans.

The VA employs over 185,000 people. Approximately 165,000 of these are necessary to operate the medical pro-

gram. This includes the operation of 170 hospitals, 18 domiciliaries, 87 nursing homes, and through its outpatient facilities it handles nearly 15 million annual visits.

Any organization the size of the VA and serving a veterans population as large as the VA does is bound to have some problems. However, again, as I have indicated, I think if we will look at the total picture, we will agree that they do a commendable job.

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

Mr. BOLAND. I am delighted to yield to the distinguished gentleman from Texas.

Mr. TEAGUE. Mr. Chairman, I would like to express my personal appreciation for the great job which the gentleman from Massachusetts (Mr. BOLAND) and his committee have done on behalf of the veterans. Every veteran group I have talked with has expressed to me its great appreciation for the fine job the gentleman's committee has done. I would just like to express my thanks to the gentleman and to the entire committee.

Mr. BOLAND. Mr. Chairman, I appreciate the remarks made by the gentleman.

I think in a sense we are following through on the dictates of the Committee on Veterans' Affairs which the gentleman from Texas (Mr. TEAGUE) chaired for so long and so honorably and with such great knowledge and expertise. I am grateful to the gentleman from Texas for his remarks.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

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

Mr. EVINS of Tennessee. Mr. Chairman, I thank the distinguished chairman of the subcommittee for yielding.

I, too, would like to commend the gentleman for the diligent work which he has done and for the bill which he has brought out here, especially in support of the veterans program.

The gentleman has mentioned the numbers of veterans served, the numbers of hospitals, nursing homes, and other facilities provided by the Veterans' Administration, and the personnel for those facilities. The gentleman also mentioned the figure of \$13 billion-plus which is provided in this bill for veterans programs of all types, including hospitalization, education, housing, and various other veterans programs.

The gentleman did not, I believe, mention the supplemental appropriations which were passed the other day which provided for representatives on campus to assist veterans in colleges and universities. I wish the gentleman would address himself to the total provided in this bill for veterans, and also to the total provided in the supplemental appropriations for veterans. We see by the press at times that the veterans are planning a march on Washington around July 4. The reason for that march, they say, is because Congress has not done anything for the veterans. The Congress has done and is doing a great deal, and this fact should be made known.

Mr. Chairman, there is about \$13.5 billion in this bill for the veterans pro-

grams. An emergency appropriation of \$179 million was passed the other day to cover increased benefits due to recent legislation that was enacted into law early in June. Another large supplemental will be expected soon when the final details on legislation are worked out.

I am impressed by the extent and the magnitude of the programs and the great benefits which are provided through the Veterans' Administration. We have the greatest veterans program of any nation in the world, and yet we are sometimes told that the Congress is not doing anything for the veterans.

Mr. Chairman, I hope that the chairman of the subcommittee will address himself to an explanation of the total amount in dollars.

Mr. BOLAND. Mr. Chairman, I appreciate the remarks of the gentleman from Tennessee.

Let me say a few words with reference to the moneys that are being appropriated for the veterans' programs.

This bill carries \$13,414,680,000 for all of the veterans programs. In addition to that, in the urgent supplemental which was passed here the other day there was included \$100 million for compensation and pensions for veterans; \$77 million for readjustment benefits, and \$2 million for representatives on campus that the gentleman from Tennessee referred to.

However, beyond that we will be getting a supplemental because of increases occasioned by changes in the law increasing the compensation and pensions and the readjustment benefits, which will bring the total amount for veterans alone up to close to \$15 billion in 1975.

No one quarrels with the increases in the compensation and pensions programs or the value of the readjustment benefits that are made available. These are items which, when the Congress passes upon them and they become law, become obligations that we have to meet, and we do meet them.

Mr. EVINS of Tennessee. If the gentleman will yield further, of course, as the gentleman pointed out, this is the highest level of appropriations we have ever had in the history of veterans programs. I remember when it was about \$9 billion, and now it is approaching \$15 billion. Of course, Congress has passed many liberalizing provisions for veterans and many more laws. Still it is interesting to point out that we have reached the highest level of benefits for veterans in the history of this Nation.

Mr. BOLAND. The gentleman is correct. Let me indicate again that in this bill \$6,716,200,000 is for compensation and pensions and \$2,676,000,000 is for readjustment benefits. There is about \$3.2 billion in here for the medical programs. I think all of us will agree that those three items are practically uncontrollable. We have funded the first two up to the level requested by the VA and we have funded the medical program beyond the budget request.

For 1975, the committee is recommending two significant changes from the budget estimate. First, under medical care, we are recommending an additional \$16 million to provide 1,000 nursing or direct patient care positions above the

1975 request. This action continues the effort begun last year as part of a direct response to the conclusions of the committee's own investigation that some VA hospitals were suffering from a serious shortage of qualified nurses. Although some improvement has been noted, we feel that the positions added are the minimum required to maintain quality care at our veterans hospitals.

The other increase provides \$30 million above the budget for additional assistance for health manpower training institutions. The committee has been advised that the first round of grant applications have been received and total \$71,500,000. The amount recommended in this bill plus the \$45 million already appropriated, brings total funding for this grant assistance program to \$75 million.

#### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Now, with respect to some of the other agencies in the bill, for the National Aeronautics and Space Administration we are recommending a total of \$3,203,050,000 in this legislation to carry on the space program. This is about \$40 million below the budget estimate and \$168 million above the amounts appropriated in the current fiscal year. Most of the increase above 1974 can be attributed to inflation and, of course, to the increased costs of the space shuttle. Congress made its decision on the space shuttle a few years ago when the administration decided after the Apollo program what NASA would be engaged in. The determination was made at that time as a matter of national policy that we would build the space shuttle, and so we are getting into this program now.

The report accompanying the bill explains in detail the committee actions, but I would like to take a moment to comment on the space program.

NASA has marked the end of an era in the last year. The hubbub and glamour which began with Project Mercury and ended with the highly successful flight of Sky Lab is history. Except for the Apollo-Soyuz flight next year, American men will not return to space until the first shuttle flight in 1979. The advent of the shuttle will open a new era in space flight not unlike the very early days of commercial aviation when the Wright brothers ushered in the dawn of man's flight. This was not unlike the period when our first astronauts took to space. The shuttle is the next logical step in this program. It will make space flight routine. It will make space flight available to hundreds and hundreds more people and do it at a progressively cheaper cost.

Mr. FUQUA. Will the gentleman yield?

Mr. BOLAND. I am delighted to yield to the distinguished gentleman from Florida who serves on the Science and Astronautics Committee and whose leadership in the space program is acknowledged by all concerned in this body.

Mr. FUQUA. I appreciate the gentleman yielding to me, and wish to say that one of the things I was somewhat disturbed with in reading the committee report was that in the authorization bill we authorized some \$3.9 million for hangar facilities at Edwards Air Force

Base to be used for the shuttle, and also other aircraft development. I notice in reading the report those funds have been deleted, saying that there was ample space for the shuttle due to its priorities at other existing facilities.

While I have not visited Edwards, other Members have, as well as our staff people, and they tell us that the facilities the Air Force has there that are used for other R. & D. work at Edwards are fully committed for the next 5 years, and if there are not existing facilities available then the same question comes to mind, if the committee saw fit to delete these funds with such a good program, and I wonder what thoughts the subcommittee held and what further rationale it used for the deletion of these funds.

Mr. BOLAND. The gentleman from Florida is essentially correct. The funds for the Orbiter Horizontal Flight Test Facility at Edwards were deleted on the ground that NASA has other facilities which ought to be looked at—particularly at Ames.

There are facilities at Ames which were large enough to house dirigibles and other lighter-than-air aircraft. Those facilities are large and I do not believe they are being fully used. Ames is located below San Francisco, and we believe that NASA ought to take a look at other facilities that are available. The Air Force and contractors also have facilities at the Flight Research Center at Edwards Air Force Base that could be made available.

Mr. FUQUA, I might point out that Ames, logically, is a long ways away, and they need it near the runway when they do the flight testing, or refurbish the plane.

Mr. BOLAND. It is a distance away, but not too far away, as the gentleman I am sure well knows. Ames has laboratory facilities that perhaps could be utilized for other types of instrumentation and testing. This could perhaps free up some space at Edwards. In any case, we think there ought to be a closer look at Edwards and at the most efficient use of all of NASA's facilities, in which there is a tremendous and continuing investment. As we have indicated, the Air Force facilities at Edwards are used for its own purposes. I have never been there, I might add, but staff members and some of the members of the committee have looked at the facilities. The operations of the Air Force are at one end of the base, as I understand it, and NASA has a huge complex where there is a laboratory and a large hangar.

One of the problems, as I understand it, is that the hangar may not take the high tail of the orbiter. We have indicated to NASA that they can reprogram funds to take care of any necessary alterations at the present hangar.

I will be glad to yield to the distinguished gentleman from Illinois (Mr. SHIPLEY).

Mr. SHIPLEY. Mr. Chairman, I thank the gentleman for yielding. I might say that just a few years ago I was among the members of the subcommittee that did visit Edwards. They do have a large

hangar. It is a large hangar, and it is a fine facility. At that time the budget was probably at \$4 billion, and this facility was not being heavily utilized. All we are attempting to do here is to look at this, and to see if they really need it, and if in the ranks of priorities it should be provided.

Mr. FUQUA. The questions the gentleman raises are the very questions that were raised in the subcommittee. We had staff people go down there, and one of the members who went down is here—the gentleman from California (Mr. KETCHUM)—he has visited there in just the last week or so.

It was thought in the beginning they could utilize the facilities. However, on reflection and more investigation, we find that those facilities are committed for the next 5 years. And we do run into a leadtime problem if the facilities for the orbiter are to be tested at Edwards. It was our hope we could get an additional \$2 million to make more facilities available for this research as well as the Air Force.

Mr. SHIPLEY. I think you will find that this committee has been very generous in this area.

Mr. FUQUA. It certainly has.

Mr. SHIPLEY. We would like a little time in order to look at this a little more closely. We feel that the facilities at Edwards are adequate, and we want to look into it. I think that is the whole purpose of the committee's action. It is an area that we may have to go into, but, as I said a few years ago when we were operating on a budget almost twice the size it is now, those facilities were being only partially utilized. I think we have an opportunity here to look into it. I am sure the past record of the subcommittee will assure the gentleman that if the facilities are needed, we will consider making them available.

Mr. FUQUA. I certainly appreciate the remarks of the gentleman.

Mr. BOLAND. If this presents a tremendous problem to NASA, I am sure it can be worked out very readily. The problem—and I think all of us agree with this, whether we serve on the Committee on Appropriations or whether we serve on the legislative committees—is that the Government has a great number of facilities throughout the United States. Many are not being used efficiently. The country has laboratories running out of its ears.

As the distinguished gentleman from Mississippi (Mr. WHITTEN) has indicated time and again, we ought to have an inventory of what laboratories the Government owns, and the kinds of installations and facilities that the gentleman from Florida and the gentleman from California are interested in.

The information we have, as has been reported by the gentleman from Illinois (Mr. SHIPLEY) is that at Edwards NASA now has an aircraft construction and modification hangar on one side of a laboratory building and on the other side another large hangar. So it is an excellent integrated facility. The main hangar at Edwards is an outstanding facility with more than enough floor area for the orbiter facility and other research.

If that is so, I think it would be wise to hold in abeyance the \$1,940,000 that was requested by NASA for this particular facility. That is all we are doing. If, after getting another look at it, the problem cannot be solved, or if whatever work is going on at Edwards prevents that hangar from being used for other purposes, then perhaps we would have a different recommendation.

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

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

Mr. KETCHUM. I thank the gentleman for yielding.

As the chairman of my subcommittee, the gentleman from Florida (Mr. FUQUA) has indicated, not only have I just recently visited Edwards Air Force Base because it does lie within the periphery of my district, but I have visited it many times. The fact is that those hangars that were referred to earlier as not being fully utilized are in total utilization at this point. The fact is that the NASA Flight Research Center at Edwards is presently using an Air Force facility for testing the YF-12, better known as the Air Force 71 in the Air Force, and the Air Force is going to take that hangar facility away from them within the next year at least, perhaps sooner.

In addition to that, we now have at Edwards at the Air Force installation—we have the YF-15—we have the YF-16 and the YF-17. Both of those aircraft are going to be moved to the Flight Research Center in the very near future for testing there. Edwards Air Force Base has readily been used to test new airframes in new aircraft of all sorts. It is exactly what Mr. FUQUA indicated a few moments ago.

We have a facility at Edwards that is unparalleled, I believe, anywhere in the United States. Perhaps I am speaking parochially of the dry lake with over 10,000 feet of runout area. It is a remarkable facility for testing of aircraft, and more so when testing the orbiter.

When the subcommittee looked at this whole situation when NASA requested \$1.9 million, the subcommittee in its wisdom increased that authorization to \$3.9 million because we knew we were going to have to build a larger facility, and we thought it would be far wiser to build it now than to let inflation take its course and take it up to \$6, or \$7, or \$8, or \$9 million.

I can tell the gentleman that there is absolutely no question that there are no facilities at the present time or in the foreseeable future which can be used to house the orbiter. I really believe that the committee has made an error—perhaps an honest one—in its attempt to economize. I believe they have made an honest and sincere error in not funding this facility.

Mr. BOLAND. I appreciate the remarks of the gentleman. If there is a problem out there and the information we have differs from that which the gentleman from California has, who I know recently visited there, I am sure we can make an adjustment.

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

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

Mr. GOLDWATER. I thank the gentleman for yielding.

I also would like to substantiate pretty much what the gentleman from California (Mr. KETCHUM) has indicated based on my firsthand knowledge and experience with respect to this facility.

I agree with the chairman we need to use the existing facilities we have but obviously the shuttle program is unique and requires a unique type of facilities that only Edwards Research Base and the Flight Research Center can provide. Obviously, as the gentleman from California (Mr. KETCHUM) mentioned there are numerous new military Air Force programs coming into being now. Facilities are scheduled and they are full and on into the next year they are full.

I personally feel this is a mistake the committee is making in not providing these funds for that horizontal flight test facility. I am hopeful if in fact it is pressed that in their wisdom these funds will be provided at a later date by the committee.

Mr. BOLAND. I appreciate the remarks of the gentleman from California.

I can say we are concerned by the fact that Ames, as the gentleman from Florida also indicated, is some hundreds of miles away from Edwards Air Force Base, but it does have the huge hangar which was built for dirigibles—and this facility is available and should be used.

#### NATIONAL SCIENCE FOUNDATION

Mr. Chairman, to continue the summary of the bill, the National Science Foundation requested a total of \$788,200,000 for 1975. Of that amount \$101,800,000 was provided in the special energy research and development appropriation bill. This bill provides \$671,800,000, which is a reduction of \$14,600,000 below the budget request. Within the total recommended, \$5 million has been provided for the special foreign currency program.

Here again, the report goes into the details of the committee's recommendations, but basically, the committee is providing for a balanced approach to scientific research. The actions taken in this bill and report are designed to make the best use of limited resources—to insure that applied research is not pursued at the expense of basic research—and to insure that both applied and basic research are not pursued at the expense of the educational responsibilities of the Foundation.

#### OTHER AGENCIES

The Federal Communications Commission requested \$46,847,000 for 1975. The committee recommends a small increase that will provide for an additional 25 positions to reduce substantial backlog in nearly every activity the Commission oversees.

For the Securities and Exchange Commission, the committee recommends a total of \$43,077,000 in 1975. This is an increase of \$946,000 above the budget request and provides for an additional 225 positions next year. This increase continues an accelerated effort to staff the Commission to help maintain in-

vestor confidence in the capital securities markets.

During the past year, the number of stock frauds and securities scandals that have surfaced in the press has increased. These unsavory actions on the part of a few weaken the individual investor's confidence in the market—and without participation of the individual investor, the little man, it is not possible to maintain an orderly market system. The committee hopes that these additional funds and positions will help restore some stability and confidence to a weakened sector of our economy.

For the Selective Service System, the committee is recommending \$46,463,000. When the required payment for space rental costs to the GSA is considered, this represents a \$13,597,000 reduction from the 1974 appropriation. The committee's action continues the orderly conversion of the System to a standby mode. Personnel strength is being reduced from 6,241 on June 30, 1973 to 2,869 on June 30, 1975.

I know that some of you will argue very persuasively today that continued funding of the Selective Service System is no longer necessary. However, in many ways, the coming year will provide the most crucial test for the Volunteer Army. Until the all-volunteer concept has cleared that test, I think it would be unwise to do away with the only backup system now in place. Next year may be a different story. You can be assured that the committee will take a very close look at the need for continuing this activity indefinitely.

For the Renegotiation Board, the committee recommends \$5,163,000 in 1975. Some have been very critical of the Board's activities, but the committee is pleased to note that for fiscal year 1974, the renegotiation process reported savings of over \$70 million. This is the Board's largest return to the Treasury in the last 15 years.

For the American Battle Monuments Commission, the committee is recommending \$4,512,000. This is a decrease of \$953,000 below the budget estimate. The committee has recommended deferral of funds requested to initiate construction of a proposed Pershing Memorial in the District of Columbia. The committee feels that these funds should be applied to other higher priority purposes for veterans care.

Finally, we have provided \$265,000 for the U.S. Army Memorial Affairs Agency. When this is combined with \$3.5 million in carryover balances from 1974, the total will be used to maintain Arlington National Cemetery and the cemetery at the Soldiers and Airmen's Home.

Mr. Chairman, this concludes the summary I plan to make. If there are any specific questions, I will do my best to answer them.

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

Mr. BOLAND. I am pleased to yield to my distinguished and lovable friend, the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

If I read the report correctly we are about to bestow some \$2,327,380,000 on the National Aeronautics and Space Ad-

ministration. I believe that is what is recommended in the bill.

Mr. BOLAND. Yes, that is the total for research and development. The total recommended for NASA is \$3,203,050,000.

Mr. GROSS. And that would be an increase of \$48 million for the same general purposes as was appropriated last year.

Mr. BOLAND. In the research and development for NASA there is an increase of \$138,073,000 over last year. There is an increase of \$34,570,000 in construction of facilities—and for research and program management there is a decrease of \$4.6 million below 1974. So the total increase for NASA comes to \$168,043,000. The greater part of this of course is in the space shuttle program.

Mr. GROSS. The figures show on page 16 of the report as between the 1974 appropriation, the actual appropriation and the amount recommended in the bill do not show that much difference. I get \$48 million and I thought that was enough to continue all these boondoggles—or moondoggles.

Mr. BOLAND. The item on page 16 does refer to research and development and we have decreased that by \$14,200,000 below the estimate. Their estimate was \$2,341,580,000 and we recommend in this bill \$2,327,380,000, which is a reduction of \$14,200,000.

Mr. GROSS. How much did the gentleman say this is above last year's appropriation?

Mr. BOLAND. Above last year's appropriation for research and development?

Mr. GROSS. The total bill, I mean.

Mr. BOLAND. For NASA or for the total bill?

Mr. GROSS. The total bill for NASA.

Mr. BOLAND. The total increase for NASA is \$168,043,000.

Mr. GROSS. In view of the financial situation of this country, does not the gentlemen think we ought to stay at least with last year's figure? How in the world will we ever stop inflation if we keep pushing up these costs to the taxpayers?

Mr. BOLAND. What the gentleman says could be true except that as we advance in the space shuttle program the costs escalate each year. We are getting closer to the funding peak for the space shuttle program with the result that the cost of the space shuttle this year is more than it was last year.

The Space Shuttle, including construction, will cost about \$875 million this year.

Mr. GROSS. I know, but I will ask my good friend, the gentleman from Massachusetts, when are we going to somewhere along the line demonstrate some sort of fiscal sanity in this country?

I am at a loss to understand how we are going to demonstrate any kind of fiscal responsibility to the people who we presumably represent by increasing all these appropriation bills. Practically every appropriation is that way. The gentleman's bill is no different than those that have preceded it and, I suspect, those still to come. I have not found one yet that did not exceed the spending levels for last year, not a one.

Mr. BOLAND. Let me say to the gen-

tleman that if we had included the programs that were approved by the Housing and Urban Development Act passed last week, when those programs are concluded, this bill will have to carry about \$2 billion additional for the community development programs that are included in the Housing Act of 1974.

Mr. GROSS. I am sorry the gentleman told me that.

Mr. EVINS of Tennessee. Mr. Chairman, will the gentleman yield?

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

Mr. EVINS of Tennessee. As the gentleman said, the Space Committee has authorized the space program. It has been authorized by Congress and this committee is funding it on a limited basis.

There are more than a dozen major installations in the NASA complex employing 26,000 personnel.

We would not want to close down those installations and cause 26,000 people to be unemployed.

It is quite a formidable program. The committee has talked about phasing out some of the facilities, but they always come back with the problem that we cannot close down 17 facilities and put 26,000 people out of work.

Mr. GROSS. If I may respond to my good friend, the gentleman from Tennessee. Will the gentleman yield further?

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

Mr. GROSS. Some one of these days, and I do not smile at the thought, but one of these days there will be wholesale closings of facilities and hundreds of thousands will be out of work. If we drive this country into insolvency and we are on the way, it will be accomplished in part, by the failure to reduce these appropriations.

I am not trying to preach a sermon to this particular committee, but someday, somewhere, there will have to be some Members in Congress who will do something about inflation and the huge debt.

Mr. BOLAND. Mr. Speaker, I know the gentleman will be pleased to know that, as the gentleman from Tennessee indicated, the personnel within NASA now is around 26,000. Just a few years ago it was 35,000.

The expenditure for NASA in 1965 was better than \$5 billion. It is now down to the level of \$3.2 billion.

It is the will of the Congress that we go ahead with these programs, and within the limitations which the Appropriations Committee has recommended we provide the funds for the programs the Congress approves—although, let me say, the gentleman from Iowa may not agree.

Mr. GROSS. I thank the gentleman for being so generous with his time.

Mr. TALCOTT. Mr. Chairman, our subcommittee and committee have worked long and hard on this bill. This is a tough bill which has many tough issues and a variety of departments and agencies which are very important to almost all Americans. The committee represents a number of diverse views. We have expressed them within the committee, and we think we have forged some responsible, reasonable compromises. We are unanimous all except for one subject.

I think this is a good record for a committee which has worked long and hard.

I concur with the chairman of the subcommittee, the distinguished gentleman from Massachusetts who has again made an able and comprehensive presentation, and the rest of the subcommittee. I also would recommend that every Member read the report, which is comprehensive and contains a good explanation of what we are trying to recommend to the House.

There are many items, of course, that I would like to touch upon, but I will only touch upon a few. For the benefit of the gentleman from Iowa (Mr. Gross), whose contributions to this Congress I greatly appreciate, I believe that two-thirds of this whole bill is for the Veterans' Administration. There are many people in the country who are trying to talk this committee into spending a good deal more than we have spent. Yet, we feel we have been generous. There are many agencies of the Government which perform a very valuable service, and we have tried to provide adequate funds so that they can do the kind of job the gentleman from Iowa really wants this Government to perform.

Mr. Chairman, the major portion of this bill is the \$13,414,680,000 for the Veterans' Administration—the largest in history. Many of our colleagues have asked, what are we doing for the Nation's veterans? Let me give you a short abbreviated explanation.

Our effort to aid and assist the veteran starts while he is still in service. The Department of Defense is spending more than \$3 billion annually on training. Much of that effort is in learning and building skills that can be readily transferred to civilian occupations. The Defense Department also maintains an ongoing volunteer education program for servicemen of all ranks. This program covers educational courses through the college graduate studies level and vocational education. While participating servicemen and women are attending these courses in off-duty hours, they are eligible for tuition assistance through the Defense Department covering 75 percent of the tuition, or for the 10-percent assistance through the in-service GI bill. In addition to the available educational assistance, each serviceman and woman receives preseparation counseling to help them in the transition to civilian life.

Once the veteran returns to civilian life he is eligible for a number of benefits. One of the first and most important is assistance in finding employment. The U.S. Department of Labor and the State Employment Departments all cooperate in a Nationwide Veterans Employment Service. Even in times of great difficulty in finding jobs, our veterans receive extra assistance as a matter of law. The Congress has also given the veteran special preference in employment with the civil service. All qualifying veterans receive a 5-point preference in seeking Federal employment, and those who are disabled receive a 10-point preference. The recently discharged veteran is also allowed to apply under certain closed announcements, and is given reemployment rights if his military service called him away from a Federal job.

The Veterans' Administration has the duty to see that the commitment made by the Congress more than 100 years ago "to care for him that has borne the battle, and for his widow and children" is carried out. The VA administers laws covering a wide range of benefits for former members and dependents and beneficiaries of decreased former members of the Armed Forces. The VA also administers the laws which provide certain benefits to current members of the Armed Forces and to dependent children of seriously disabled veterans.

With the veteran population of the United States now over 29 million, of which nearly 6 million are Vietnam-era veterans, the activity of the VA deals chiefly with the problems of employment, education and hospital care. Continuing the Outreach program the VA seeks out returning veterans by mail, phone and personal visits, and conducts a series of job marts in major cities where prospective employers and job-hunting veterans could meet. In an effort to help rural veterans the VA, together with five other Federal agencies, has operated national assistance for veterans mobile vans, manned with experts to give on-the-spot, one-stop aid and assistance to veterans seeking jobs, medical aid, and other benefits.

Legislation passed by the Congress in 1966 provides a permanent program of educational assistance and other benefits for those who served in the Armed Forces after January 1, 1955.

VA research in medicine and surgery has nearly 6,000 projects in most of its 169 hospitals. This VA research has resulted in advances and new techniques highly acclaimed by the medical profession. In 1972 the first nuclear-powered pacemaker to be implanted in a patient in the United States was done in the Veterans' Administration hospital in Buffalo, N.Y., by the same team of surgeons who implanted the first pacemaker in a human more than 12 years ago. That first battery-powered device worked so well that the same patient was the recipient of the Nation's first nuclear pacemaker. Other advances include the development of new treatments for hypertension, cancer, pulmonary ailments, and organ transplants.

Veterans of World War I, World War II, the Korean war and the Vietnam conflict hold nearly 8½ million GI insurance policies with a total face value of \$91,500,000,000.

The educational assistance program has helped millions of veterans through school. This is one of the few Federal assistance programs which has returned more to the Treasury than it has paid out. Increased educational level has led to higher salaries for those veterans participating in the program, and the higher salaries have led to higher personal income taxes. Over the years, the increased tax returns have more than repaid the initial outlays. This, indeed, has been a wise investment in America's future.

Today millions of veterans, and widows, wives, and children of deceased or totally disabled veterans whose death or disability was service connected, are all participating in the educational program.

The VA is also instrumental in helping veterans and servicemen meet their housing needs. They may obtain GI loans through private lenders, and guaranteed by the VA, for the purchase of private homes, mobile homes, or farms. In certain rural areas where ordinary lending facilities are not available, direct loans may be made by the VA for the purchase of homes and farmhouses. The overall number of loans guaranteed by the VA since the program was instituted by the Congress in 1944 is now over 9 million. Of these, more than 1.5 million are for veterans of service after the close of the Korean conflict on January 31, 1955.

The VA is currently expending more than \$6.7 billion annually in compensation and pension payments to 5 million disabled veterans and eligible dependents.

The Congress of the United States has committed this Nation to providing for our veterans. We have done that job well. No nation in history has provided either the quality or the quantity of service and benefits that we provide our veterans. There is a special debt that a nation owes to those who interrupted their normal routines to take up arms in defense of their country and their fellow citizens. We in the Congress recognize this fact and will continue to meet our special obligation to our veterans.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The committee has recommended an appropriation for the coming fiscal year of \$3,210,422,000. It should be noted that this does not represent the full budget for the Department of Housing and Urban Development. As you know, only last week the House passed, and sent to what will undoubtedly be a stormy conference, the Housing and Urban Development Act of 1974. Once the authorizing legislation is enacted, we will have to consider a supplemental appropriation of approximately \$2.1 billion for the community development block grants included in that bill. The total cost of the special revenue-sharing approach will be \$2.5 billion. Included in the bill before the House today is \$395 million for transitional funding in urban renewal, model cities, and rehabilitation loans which will all be offsets against that \$2.5 billion.

As the committee report points out, it is our intention to consider funding the balance of the \$2.5 billion once the community bloc grant legislation is enacted into law. At the time we considered the HUD appropriation in subcommittee, neither the Committee on Banking and Currency, nor the full House, had acted on the Housing and Urban Development Act of 1974. Therefore, we did not consider it appropriate for us to recommend appropriations for title I of the authorizing legislation. We did, however, indicate our intentions in this regard by approving the budget amendment for \$200 million for urban renewal and \$125 million for Model Cities, which the Administration had requested as transitional funding, and an additional sum of \$70 million for the rehabilitation loan program, all of which are to be offset against the entitlement which cities would receive when the new

law is implemented on January 1 of next year.

Now, of course, the House has acted on the authorizing legislation; and the decisive margin by which it was passed gives encouragement that final enactment may occur in the coming weeks. Assuming that does occur, I believe our committee would entertain an urgent supplemental appropriation to fund the balance of the budget request. I also think that most Members would agree that to exceed the budget request of \$2.5 billion would be highly inflationary. Our subcommittee wants to make clear our intentions to stay within the figures which were agreed upon between the House authorizing committee and the administration during markup of the Better Communities Act.

Many members of the committee and the House as a whole feel that the Department has not been responsive to the needs of our older Americans. Last week we amended the Housing bill to authorize a renewal of the section 202 Elderly Housing program. The Appropriations Committee included in its report on this bill strong language to urge the Secretary to press forward with housing for the elderly. This program has been free of scandal and also free of the costly defaults which have plagued other assisted housing programs. Most importantly, section 202 has provided essential housing for our elderly needy at the lowest cost to the Government.

Members of our committee were also deeply concerned that the Department has ignored its responsibility as the lead Federal agency in the area of nursing home facilities. As many of us know, there is a need for adequate nursing home facilities all across this country. Today there are not sufficient beds to meet the demand, and many of the facilities in existence do not meet minimum standards for safety or design. The committee intends to closely monitor departmental compliance of our direction to the Secretary to demonstrate leadership and aggressively address the needs of 40 percent of our aged disadvantaged who are in need of nursing home facilities.

FEDERAL COMMUNICATIONS COMMISSION

The committee has added funds to the FCC budget request for additional positions which are intended to clear up their backlog. The committee intends to closely monitor the progress the FCC makes in this area, together with the compliance of our fifth request that the Commission develop some solution to the problems of violence and obscenity on television, with particular attention to the effect that they have on our children. We consider both of these problems to be very serious, and both have been the subjects of previous expressions of congressional concern. If no progress is made in these areas within the coming months the committee may be forced to explore possible remedial action.

SELECTIVE SERVICE SYSTEM

The committee has taken a long and careful look at the request by the Selective Service System for this year's budget. We are convinced that it represents a truly "bare-bones" budget for the coming year. Any further reductions would

greatly endanger our standby capability. The Congress has established National policy to be an all volunteer military, but we are still in the process of proving that it is workable. Until it is proven beyond a doubt that the all volunteer force will work we must maintain the ability to reactivate the draft system in a National emergency.

Recent efforts to reduce tension in the Middle East have made marked changes in that area, but peace has not yet been assured. On almost any day one can pick up a newspaper and read of new terrorist raids in the Mideast, and retaliatory raids. There are reports of changes in the delicate balance of arms in many areas of the world. As new nations join the nuclear family they change the balance of power throughout the world. Conditions are unstable in Indochina at best. The North Vietnamese continue to violate the peace agreement on which we rely.

Now, as Americans have for nearly two hundred years, we must be prepared for war in order to keep the peace. In the absence of proof that the all volunteer system will work, the Selective Service System is necessary to our national defense. The Brookings Institution, in its "Studies in Defense Policy," has estimated that if the Selective Service System is dismantled, except for a skeleton staff, it will require 6 months for the system to deliver its first draftee. But with the standby system that this budget provides, the first draftee will be on his way to a training camp within a single month. This is a capability which we cannot and must not surrender.

One of the least understood of our Federal research projects is Skylab of our space program.

The preliminary results of Skylab experiments conducted during the long missions has generated excitement among the scientific and industrial communities. They have given great hope of solving some formidable and frustrating problems which concern our technology and, in turn, affect the well-being of our society. The people who labored in the Skylab program were dedicated to the thought that space was there to be used, as well as explored, and the crews demonstrated that we could do practical things in space. One such thing was the experiment to explore the effect of zero gravity on the manufacture of metal alloys, composites, and crystals.

Many of today's achievements in transportation, in communications, in computer systems, in medicine, in housing were for some time concepts, based on sound engineering principles, which could not be made practical until suitable materials were developed. Many more concepts of great potential remain just sound concepts awaiting the appropriate materials development. For instance, most of the peoples of this earth use alternating current. It is costly and as much as 25 percent of the electrical energy is lost in transmission. However, direct current systems, using underground cabling, are far better economically and ecologically.

Direct current systems have tested out well but a critical component need

exists—large crystals which are used to rectify and regulate the current. The crystals need to be 6 to 12 inches in diameter. Earth-based crystal processing limits their size to 2 to 4 inches in diameter because of gravity and so the potential efficiency of these direct current distribution systems is constrained.

It is understandable then that the crystals grown in space during the last *Skylab* mission caused such excitement. Studies showed their size and homogeneity greatly surpassed those grown on earth. In zero gravity, it is possible to reform crystals that are more nearly perfect. It is estimated that 350 new generating plants over the next 20 years raises the possibility of \$100,000,000 a year in demand for these crystals for power transmission only.

With large, space manufactured crystals, the potential exists for major increases in the capability of integrated circuits. As an example, a thin slice about the size of a quarter of a near perfect crystal can serve as the lens of a TV camera requiring no lights to function—it just needs the heat radiated from people or objects. Such a perfect crystal can only be produced in zero gravity.

In the opinion of scientists it is no longer a matter of speculation that materials processing in space presents one of the greatest opportunities ever afforded to benefit mankind. Outer space would add a new dimension to materials science and engineering. Experiments conducted during the *Skylab* program certainly marked a sound starting point in this direction. The Space Shuttle with its capability to carry a large laboratory into orbit will permit further investigations of this promising research.

One new development in space research can repay for total cost of the *Shuttle* program. We cannot miss such opportunities with the unlimited potential for human good down here on Earth.

Mr. Chairman, this is a good, responsible bill. It represents wise and careful allocation of the taxpayer's dollars. I urge its passage.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. Certainly, I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I commend the gentleman for his remarks with respect to the Community Development Block Grant program. There was very strong bipartisan agreement in the subcommittee and in the full committee, the Housing Subcommittee and the Banking and Currency Committee, that we should stick by the \$2.5 billion figure.

It is the intention, of our authorizing committee and I hope the Appropriations Committee, in conference, to maintain that figure, so I commend the gentleman for what he is saying. I am sure this is the understanding and consensus of those who handled the authorizing legislation.

Mr. TALCOTT. Mr. Chairman, I thank the gentleman.

Our subcommittee watched long and patiently while the authorizing committee was forging the housing bill for this year. I commend the authorizing com-

mittee for its bipartisan effort particularly the gentleman from Michigan (Mr. BROWN), and the gentleman from Ohio (Mr. ASHLEY), and their committee for yeoman work in producing a good housing bill which our Nation badly needs.

Mr. Chairman, I now yield 20 minutes to the gentleman from Pennsylvania (Mr. McDade).

Mr. McDade. Mr. Chairman, I rise in support of this bill. I believe it is an excellent product, one which has been developed by the hard work of this committee.

I wish to offer my commendations to the gentleman from Massachusetts (Mr. BOLAND), who is the chairman of the subcommittee, for the manner in which he conducted the hearings. He did so with patience, with precision, and in a very nonpartisan fashion, giving all members of the subcommittee, whether Republican or Democrat or whatever their viewpoint, complete time in which to present their questions in committee.

Mr. Chairman, the same holds true of the gentleman from California (Mr. TALCOTT) whose imprint on this bill is indeed a very great one. The gentleman was always willing to exercise in intense questioning of a witness without regard to whether or not he was supporting the position of the administration or anyone else. All were examined most thoroughly. The gentleman conducted himself in a manner which I think speaks highly of the Committee on Appropriations.

Mr. Chairman, I rise in support of the bill H.R. 15572 as reported.

Mr. Chairman, this is a most important bill to any community, large or small, which is engaged in attempting to provide decent housing and a more livable environment. This has been the prime purpose of our Nation's housing and urban development programs. While the results have been a mixed bag of many successes and many failures, the needs of our Nation in both the urban renewal and housing areas remain quite critical. This bill and the committee report reflect somewhat the uncertainty that still surrounds our Nation's housing policies. It reflects the desire of the committee to continue at a viable rate the Nation's housing and urban renewal commitments until the new Housing and Urban Development Act of 1974 is finally approved by the Congress.

One particular area that has concerned the committee over the past several years is the need to implement the existing section 202 Housing for the Elderly program. Section 202 is a low-cost low-interest loan program with an excellent record of minimal default. For the past several years your committee has urged HUD to obligate the more than \$100 million currently available for the 202 program. These appeals have fallen on deaf ears. Fortunately for the Nation's elderly, the Congress has recognized the merits of this program and last week adopted an amendment to the new housing bill to restore the 202 program. I trust HUD will realize now that not only the committee but the Congress as well wants the 202 program implemented.

Another related activity in which HUD

should involve itself to a greater degree is the nursing home situation. It is very similar to the great problems we are encountering in providing sufficient elderly housing. During our hearings, a HUD official admitted that they are the lead agency along with HEW responsible for the construction of nursing care facilities. At the present time, nursing home construction represents a very small part of the FHA's section 232 mortgage guarantee loan program. Like the 202 program, the ratio of defaults to starts is extremely low, only 10 out of 974 last year. Officials of HUD also indicated that they received 8,000 applications for assistance last year yet only about under 1,000 are insured.

I know that HUD officials share the committee's concern that the Nation's nursing home ills be remedied. The blight of our nursing homes is a national tragedy. However, I hope they do not take the committee's expression of concern in this matter too lightly. Both section 202 and section 232 provide HUD with a tremendous opportunity to make a contribution to better housing and better nursing home care for the elderly. HUD needs to assume a more active, aggressive posture in both programs if this country's elderly population is to have the shelter and care it needs.

One item of particular importance to my constituents in northeastern Pennsylvania is the committee's action increasing funds for the acceleration of the Federal flood insurance program. The committee has granted the Federal Insurance Administration an increase of \$30 million over last year's appropriation to continue the efforts of the FIA to complete their flood plain mappings and investigations which enable communities to convert from emergency to regular Federal flood insurance. Both the incentives and the sanctions contained in the 1969 Flood Insurance Protection Act are quite substantial and have had a positive effect in encouraging local communities to apply for eligibility. Since the initiative to participate in Federal flood insurance rests solely with the local communities, an extensive educational program is underway in cooperation with the States. Hopefully, by April 1, 1975, all of our communities will be under the FIA umbrella. One of the costliest lessons of Hurricane Agnes which struck my congressional district with such intensity was the great need for flood insurance protection, protection which I might add was practically nonexistent prior to the flood. I am pleased that we are moving forward in this area.

Mr. Chairman, one additional provision in the committee report that concerns me greatly has been our efforts to have the Federal Communications Commission take a greater role in examining the effects of TV violence and obscenity on small children. At my request the committee inserted language for the past 5 consecutive years directing the Commission to determine exactly what its responsibilities and its authority may be in this area. Unfortunately the Commission has done little or nothing in this regard. The committee has directed the FCC to undertake a study and report back to the Congress by the end of this

calendar year outlining specific actions which it can and will take to address itself to this problem. I for one will be most anxious to receive this report.

In summary, this bill represents a thoughtful product of many months deliberation on some of the most difficult questions facing our Nation today. The welfare of our veterans, the liveability of our cities, the future of our scientific achievement, the monitoring of our vast communications network are all funded here. H.R. 15572 is a good bill and it deserves the support of every Member of this House.

Mr. BOLAND. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I wish to commend the gentleman from Pennsylvania (Mr. McDade) for his work on this committee. I wish to point to two areas in the report for which we owe him a debt of gratitude for highlighting these problems: First, on the Department of Housing and Urban Development; and second, with respect to some of the activities of the Federal Communications Commission.

The report contains a reference to the building of nursing homes, which is an area in which the gentleman from Pennsylvania has expressed considerable interest, and also considerable concern.

In the report we stated:

Another field where HUD has not fully met its obligations is in the area of nursing home facilities. HUD is the lead government agency for encouraging the building of nursing homes in the United States. The Committee directs the Secretary to demonstrate this leadership and to aggressively address the reality that forty percent of America's disadvantaged are in need of nursing home facilities. Plans should be developed for a much more active program designed to encourage the building of nursing homes for the elderly before next year.

Mr. Chairman, with respect to the item on the Federal Communications Commission, for a number of years the gentleman from Pennsylvania (Mr. McDade) has expressed his concern and his disappointment with the Federal Communications Commission with reference to program violence and obscenity and the effect of commercials on children. This year the committee strongly urged the Commission to proceed as vigorously as possible, within constitutional limitations, to determine what its powers are in the area of program violence and obscenity, particularly as they affect children.

It is the hope of this subcommittee, and I know it is the desire of the gentleman from Pennsylvania, that the Commission address itself to this problem, and we expect that we will get a report from the Federal Communications Commission by the end of December of this year on precisely what its activity has been in this field and what it intends to do about it.

Mr. TALCOTT. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I do not wish to pursue this situation concerning the Edwards Air Force Base any further than I must. However, I do believe that we should get this entire situation into perspective.

I think we must understand that the orbiter for the Space Shuttle is going to have to make horizontal flight tests. In order to do that, it is going to have to be launched from some type of aircraft. The decision has been made that the 747 aircraft will be used as the so-called launching pad for the horizontal flight test, which means that the Space Shuttle craft will be sitting on top of the 747.

Comment has been made here that perhaps Ames would be a good place to carry on this research, this testing, and I think we should get it in perspective that Ames sits in the center of a highly urbanized metropolitan area. We are talking about the city of San Jose, we are talking about the flight pattern to the San Francisco airport, which is one of the most heavily used airports in the State of California.

I sincerely doubt that any of the residents of that entire peninsula area would stand still for a moment having a 747 taking off at Ames with an orbiter sitting on top of it, and then attempting to land.

It simply does not make sense. I am reasonably certain that anyone who knows me on this floor knows I am not given to spending huge amounts of money. I sincerely believe that the inclusion of this facility is warranted, as authorized by the Science and Astronautics Committee, of which I have the honor to be a member. And looking at this from an economics standpoint and knowing full well that this facility has to be built at some point in the future it is economic good sense. I simply wish to reiterate the necessity for including it in the appropriation for this year.

We have a 6-month time period down the road for the Orbiter program, and I most respectfully request of the Committee on Appropriations—and I know they have done the very best job they can—that when this matter goes to conference they should take another very hard look at the situation.

It is my understanding that a member of the staff of the subcommittee is presently on his way to Edwards Air Force Base. I may be incorrect, but that is what I have been told. He is on his way there to look the situation over. I believe when he comes back the committee will find he will recommend that this appropriation be included and that the hangar at Edwards Air Force Base should be constructed.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. SHIPLEY), a member of the subcommittee.

Mr. SHIPLEY. Mr. Chairman, I want to add my support to the 1975 HUD-Space-Science-Veterans appropriation bill that is before us today. I would like to commend the chairman of the subcommittee, the gentleman from Massachusetts, who has done his usual outstanding job in handling a very difficult appropriations bill.

This is a large bill. It covers some of the most important agencies in the Government with a wide range of varied interests.

Each agency has its own pet projects and each gradually builds its own constituency. But it is the special respon-

sibility of this committee to weigh all of the requests for funds and select specific budget priorities.

After almost 3 months of hearings, including 6,000 pages of testimony from 262 witnesses, the committee has produced a commendable bill.

I am not going to recite the committee's recommendations for each agency—but briefly, we have recommended additional funds for the SEC and the FCC so that they can better meet their responsibilities. We have provided an additional 1,000 direct patient care positions to improve the nursing coverage in VA hospitals—and we have added \$30 million for support of new and existing medical schools associated with the Veterans' Administration.

We were not able to provide everything that everyone wanted—but I believe in most cases the amount recommended is fair and reasonable.

On the other hand, we have also made a conscientious effort to select budget priorities. Let me cite NASA as an example. The subcommittee believes in the Space Shuttle. It has funded it fully over the past 3 years. It is a good program and someday it may return more than our investment. Material and biological processing in a space shuttle lab alone could reap many dividends.

For example, in the space environment, with its absence of gravity, scientists can work with mixtures of blood cells without being limited by the tendency of these substances to settle to the bottom or rise to the top of the solution. It is anticipated that not only will new antibiotics be discovered in space, but known antibiotics may be produced with less impurities—and fewer impurities mean smaller and more effective dosages and fewer side effects.

So we believe the Shuttle will provide not only a useful transportation system, but a significant research laboratory.

On the other side of the coin, NASA also requested funds for a large space telescope. The committee felt that it did not stand the test of budget priorities. This program would cost from \$300 to \$500 million. In the simplest terms, it would place a telescope in orbit above the Earth's atmosphere—above Earth light—and above all air pollution. That makes sense—but the committee must select projects on the basis of budget priorities. We have just finished funding two large new optical Earth-bound telescopes. In this bill, we are funding a very large array radio telescope under the National Science Foundation. That will cost \$80,000,000. Just for NASA in this bill, we are funding a \$6,000,000 special infrared telescope facility; a \$4,000,000 X-ray telescope; and a \$200,000,000 high energy astronomical observatory.

With the actions taken in this bill, the Congress is now funding all four of the top priority telescope projects selected by the National Academy of Sciences. The committee has no quarrel with the concept of a large space telescope. The project has merit—but in the larger context of budget priorities, the committee believes NASA should have to design something less costly and less ambitious.

The fact is that we cannot have

budget reform without making some reductions. The Appropriations Committee has a tough job. It is always difficult to cut programs. Somewhere, someone may be hurt. But that is the basic responsibility of the committee, and I say again that I believe this is a good, sound appropriation bill.

Thank you Mr. Chairman.

Mr. TALCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, as a member of the authorizing committee involved in the HUD appropriations, there are a couple of things in the report that cause me some concern.

On page 6 of the report it is stated under the heading "Community Development in America":

The Committee has doubts that a new community development grant program can be in place and operating by January 1, 1975. Many others share this view. As a clearer picture of the status of the block grant proposal develops over the coming months, additional transition funding may be considered for the period of time before a new program can become effective.

Then, in dealing with appropriations for administrative expenses on page 10, the following appears:

The Committee recommends \$39,000,000 for administrative expenses of community planning and development programs, which is a reduction of \$3,200,000 below the budget request. The Department asked funding for 299 additional positions to administer the proposed new community development grant program and other activities. There should be substantial unused capability in current staffing that could be used more productively and the Committee feels all these positions are not justified at this time.

Now, where it appears on page 6 of the committee report that—

The committee has doubts that a new community development grant program can be in place and operating by January 1, 1975.

I cannot help but wonder if this might not be a self-fulfilling prophecy in view of the committee's action in cutting out to the tune of \$3.2 million the staff necessary to meet the tight time constraints of a January 1 implementation date.

I think we have every reason to believe that we will have a January 1, 1975, implementation date.

Did the committee take into consideration the amount of effort it will take by trained, capable, and readily available staff to meet the January 1 implementation date for a totally new program?

And is it not inconsistent for the committee on the one hand to express doubts that a new community development grant program can be in place and operating by January 1, 1975, and, on the other hand, refuse to appropriate in the very area in which the HUD Secretary will have to place his greatest reliance if he is to meet this timetable of such great import to our cities?

I would like to point out that during this period of time before the new community development grant program is in effect on January 1, 1975, the Department is going to be required in effect to conduct two programs, or maybe 12 programs is more like it, because it will still

need to administer all the categorical programs during this period of time, while it engages in the implementation of all the rules, regulations, planning, and so forth, which must go into the preparation for the new program on January 1, 1975.

I would like to suggest that if the other body should see fit to restore these administrative expenses for the community planning and development program, and in view of the action of the House last week in approving a new block grant program for community development, I would hope the conferees on the part of the House would take a fresh look at this particular item.

In that regard my confidence is somewhat restored when I go back to page 6 of the report and trust that this language is appropriate to this discussion wherein the committee has said in its report:

As a clearer picture of the status of the block grant proposal develops over the coming months, additional transition funding may be considered for the period of time before a new program can become effective.

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

Mr. BROWN of Michigan. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

First of all, I want to compliment the gentleman from Michigan on his leadership in the passage by the House of the new Housing Act of 1974, and particularly the great work that he put into that particular work with reference to the community development program. But I believe in it, and I have favored it for some time.

I know that his association with the Department of Housing and Urban Development is one that gave to him the expertise and knowledge that he carried into that committee, and, together with the other members of the Committee on Banking and Currency, brought a good bill to the floor led by the gentleman from Michigan and the distinguished gentleman from Ohio (Mr. ASHLEY).

With respect to the salaries and expenses of the community planning and development program, the increase is about \$6 million over what the Department had last year. We do provide not the 299 additional positions which were requested, but about 119.

I would agree with the gentleman totally that with the implementation of the community development program and the change from categorical to block grants, there very well might be that there is a necessity for additional employees. At the time when the transitional period is completed, when the community development program is put into place altogether, there will be a necessity for a huge supplemental to implement that program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I yield 3 additional minutes to the gentleman from Michigan.

If the gentleman from Michigan will yield further, at that time I think it would be fair to say that this committee

would look seriously at the matter of this cut that we have made in the community planning and development, and we could make adjustments at that time.

Mr. BROWN of Michigan. I thank the gentleman for his remarks. I think we can expect, once the new community development program and the block grant program are in effect, that we should be able to do something in the way of reducing administrative expenses. The really critical period, I am sure the gentleman understands, is in this period of time while we are trying to develop and put into operation the new community development program while, on the other hand, we are obligated to continue all of the administrative activities of the existing categorical programs; that is a critical period.

Mr. BOLAND. Mr. Chairman, I think one of the differences is that I am not too sure that we need all the personnel on the administrative operations for the current categorical grant program. As the gentleman knows, that grant program was suspended or terminated. Actually those seven programs with which HUD concerns itself were terminated, and I do not know how much administrative expense we really need for a terminated program. So that is one of the reasons why we reduced the personnel request by the amount we do. We think it sufficient. If it is not, we will make a correction at the right time.

Mr. BROWN of Michigan. I appreciate the gentleman's comments. I am sure he will be fair and objective in his deliberations on this matter. I thank the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Indiana (Mr. ROUSH) a very valuable member of the subcommittee.

Mr. ROUSH. I thank the Chairman.

Mr. Chairman, the bill before us represents many long hours of work and effort on the part of the subcommittee. The chairman could not have been more fair nor could he have been more diligent in his conduct of the business of the committee. This business is indeed complex. The work of the subcommittee involves appropriations for the Department of Housing and Urban Development and 10 independent agencies.

It is important to note that because of the very careful scrutiny given the budget requests by the subcommittee, the administration's budget request was reduced by \$41,519,000. This was done without doing violence to programs which are serving the people of this country.

Mr. Chairman, while I am interested in every program funded by this bill, I, of course, have certain areas which are of special interest to me. For example, I am especially interested in the science research programs which I believe will continue to make significant contributions to the improvement of the quality of life of our people. Also, as an advocate of the space program, I have and do recommend a continued funding of the program. I do not attach the same importance to the trips to the Moon as

some do, but I do think it is important to recognize that what we did to get there—the research and the development of literally thousands of ideas into useful “tools” which serve mankind—cannot be overlooked.

Then, too, this subcommittee has worked diligently to see to it that the needs of the veterans are not overlooked. I have visited VA hospitals all over the country. I have listened to the veterans themselves as they have brought to me their problems. The subcommittee has received the testimony of many groups representing the veteran. The result is seen in this bill. We concluded that the Administration was not as sensitive as it should have been in providing services for the veteran; therefore, the subcommittee increased the request by \$39,944,000. The funds recommended will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families and the 3,800,000 survivors of deceased veterans.

The budget of each agency was gone over carefully. While most were reduced, the subcommittee has been responsive to the needs, particularly of the regulatory agencies, as it made its decisions on the level of spending for each agency.

Mr. Chairman, I urge the passage of this appropriations bill.

Mr. TALCOTT. Mr. Chairman, we have no further requests for time. I reserve the balance of my time.

Mr. BOLAND. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island (Mr. TIERNAN) a very valuable member of our subcommittee.

Mr. TIERNAN. I thank the Chairman for yielding.

Mr. Chairman, at this time I should like to congratulate the chairman and the members of the committee who have worked on this bill. It has not been an easy bill to work with, and it may not be exactly what some of the members of the committee desire, but we were able to come out with a fair and feasible appropriation in this area. I will offer an amendment to one section of the bill later.

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Iowa such time as he may consume. I wonder how much time the gentleman would like to have. I would like to give the gentleman as much time as he wants because this is the last time he will be addressing the Members of this subcommittee on this particular bill except when we bring it back from the conference. I do not think the Members listen to anyone with more delight than we listen to the gentleman from Iowa. He has more humor and perhaps more commonsense than anyone in this Chamber, so I would like to yield the gentleman whatever time he may require.

Mr. GROSS. I appreciate all those due bills. Five minutes I hope will be enough.

Mr. BOLAND. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I am particularly interested in the National Science Foun-

dation. As I understand it this bill provides \$671.8 million or an increase over last year of \$124,140,000. This information I find on page 2 of the report.

Mr. BOLAND. The gentleman is absolutely correct.

Mr. GROSS. All right. Does that include the \$101.8 million authorized for the National Science Foundation in the Energy bill?

Mr. BOLAND. No; it does not. If the gentleman adds that he will find that we have another \$772 million.

Mr. GROSS. I was afraid the gentleman would give me that answer, because we have \$774 million.

Here are a few samples of how these funds have been spent in the past:

Two years ago \$176,700 was spent to study the no-fault divorce law in California. Does this qualify, I wonder, under the heading of National Science Foundation?

Then there is a 3-year study now in progress, costing \$1.2 million, to tell the city of New York why its municipal bureaucracy is not working. The project description reads, and I quote from the language of my friend, the gentleman from Massachusetts (Mr. BOLAND) in the hearing record:

To study the local integration of certain municipal services in selected districts to test the hypothesis that service delivery can be improved without additional funds by granting local agency personnel greater autonomy in service for delivery to operating decisions.

Those are not the words of the gentleman from Massachusetts for I am sure he is reading from the justification material—but one cannot match those words anywhere in this Government for bureaucratic lingo. Of course I think we all know what is wrong in New York City. Among other things they are \$6 or \$7 billion in debt and they are feeling the effects of this in the municipal bureaucracy.

Then there is that good old home fire project still going on at Harvard University. It started out in 1972 with \$296,800. In 1973, Harvard got \$184,500, and in 1974 they are spending \$315,900 for a total of \$797,200. According to the project summary, the Harvard brain trust will explain what water does in the process of fire extinguishment through both cooling and smothering actions. Why must the taxpayers spend that kind of money, nearly \$1 million over a 3-year period, to tell us what happens when water is applied to fire.

The University of Pennsylvania has a grant of \$50,000 to study “computer-aided refinement of decisionmaking of high-ranking executives in the Soviet Union.”

Central College at Oskaloosa, Iowa, has a grant of \$22,470 which deals with “enhancement of cognitive abilities and self-image of freshmen women.”

The University of Washington has a \$49,800 grant for “social policy analysis and research and social policymaking,” whatever that means.

Purdue University is here again this time with a \$47,140 grant dealing with “factors influencing the science career plans of women and members of ethnic minority groups.”

The University of Pittsburgh is handed a grant of \$57,500 to study “community and national integration in the Peoples Republic of China.”

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOLAND. Mr. Chairman, I am delighted to yield the gentleman from Iowa 3 additional minutes.

Mr. GROSS. Harvard University again with a \$49,900 grant for a “study of research and development needs for the making of social policy toward young children.”

Carnegie Mellon University gets a grant of \$64,200 for “tax policies for R. & D. and technological innovation.”

The Institute for Advanced Study has been handed a grant from the National Science Foundation in the amount of \$20,700 for “basic research on how children learn mathematics.”

Here is a \$25,900 grant to the Maryland Academy of Sciences, and the grant is for “bicentennial science exhibits program.”

Another grant of \$200,000 goes to Michigan State University for the “design and management of rural ecosystems.” I am sure Iowa could supply the answer to that one with a savings of \$200,000 for the taxpayers.

Mr. TEAGUE. Mr. Chairman, I am very pleased with the work of the House Appropriations Committee in its continuing efforts to provide for the needs of our veterans and their dependents. Chairman BOLAND and all members of the committee have again demonstrated their concern for veterans and I join my colleagues in congratulating them for their diligent work.

On April 7 of this year, in behalf of the Congress, I responded to the President’s radio address to the Nation on veterans’ affairs. At that time I attempted to point out certain problems that concerned many of us including the administration’s failure to request adequate funds for the hospital and medical program; its recommendation that we increase education benefits only 8 percent; and its failure to recommend any cost-of-living increases for service connected disabled veterans and their survivors.

Fortunately, Chairman BOLAND and his subcommittee and members of the full committee have insisted that certain things be done and in those areas where Congress can do something about it, many of the problems have been corrected either through new authorization or increased appropriations.

This bill provides a total of \$13.4 billion for programs of the Veterans’ Administration—a net increase of \$54,760,000 over the amount provided in the current year to date. The total amount for veterans programs in fiscal year 1975 will again be the largest amount in history.

The bill provides \$6,716,200,000 for compensation and pension payments. This does not take into consideration recently passed legislation—Public Law 93-295—increasing various allowances and compensation payments that will increase funding requirements. Additional funds will be needed at a later date when the revised costs are determined.

Approximately \$2.7 billion is included for readjustment benefits payments in 1975. It has been necessary in the current fiscal year to provide a supplemental of \$750 million for increased average costs per trainee, and for expanded enrollments due to successes in encouraging veterans to utilize the educational opportunities to which they are entitled. Also, on Monday when we passed the supplemental appropriations for the Veterans' Administration, \$77 million was provided to implement Public Law 93-293 that became effective May 31, 1974. This was a 30-day emergency extension of the time during which veterans must complete their training under the GI bill.

As pointed out in the committee report, the House and Senate Veterans' Affairs Committees are attempting to finalize a comprehensive education bill that will further increase educational benefits, and extend the delimiting date of eligibility for Vietnam veterans. It is, therefore, anticipated that additional funding will be required in fiscal year 1975.

Mr. Chairman, I commend the committee on its recommendation that \$3,190,044,000 be appropriated for medical care. This is \$330,871,000 above the current fiscal year and \$15,044,000 above the budget request. The budget proposes an increase of 8,184 in average employment in 1975, most of which are designated for direct patient care. The increase is to provide for an additional 1,000 nursing or direct patient care positions, and reflects a 10-percent reduction in the GSA space rental charge. The Appropriations Committee last year expressed reservation and concern over the adequacy of the budget request for medical funding, policies relating to hospital admissions, staffing for direct patient care, emergency care capability, adequate space and staffing to deal with increasing outpatient workloads, and other areas of the medical program.

I agree with the results of the Appropriations Committee's own examination that the additional personnel recommended at this time are a minimal requirement for continuing to maintain quality care and for meeting acceptable veteran population. I hope the administration has taken note that the Congress stands ready to favorably entertain consideration of future justified proposals to supplement medical care funding provided in the fiscal year 1975 bill as such needs develop.

Mr. Chairman, I am pleased to note that this bill contains \$30 million for assistance for health manpower training institutions. As many of you know, the administration's budget contained no funds for this purpose. The Veterans' Administration has already received grant application requests for about \$71.5 million. The \$30 million in this bill and the \$45 million already appropriated brings total funding for this program to \$75 million.

I am especially pleased that the bill contains \$230,850,000 for major construction projects. For years the Congress has been urging the Veterans' Administration to escalate its construction program—particularly replacement and modernization of hospitals, and installation of air conditioning systems in many

of the facilities. Fourteen replacement and modernization projects are scheduled during the next fiscal year and 11 hospitals are scheduled to be air-conditioned.

Through numerous questionnaires to the field, it has become apparent to the House Committee on Veterans' Affairs that the Veterans' Administration's construction program is not keeping pace in providing facilities for the delivery of quality medical care to its patients. This appropriation will do much to correct that situation.

Finally, Mr. Chairman, I want to make reference to the committee report pertaining to a matter that has been of great concern to me for some time. In fiscal year 1973, the Veterans' Administration requested \$255,000 for design costs of a badly needed research and education building at the Houston VA hospital. I felt the building was essential for two reasons:

First, to relieve present overcrowded conditions at the Houston hospital; and second, to maintain the proper level of research and education in its close affiliation with the Baylor College of Medicine and other institutions.

Although plans for the new building are now complete, the Veterans' Administration did not request construction funds in its fiscal year 1975 budget even though the agency is in a position to have the plans ready to advertise for construction bids by July 1, 1974. I am pleased the Appropriations Committee has directed the Veterans' Administration to reprogram \$5,173,900 of its construction funds for this new facility so that the project can go out for bids without delay.

Again I want to congratulate the members of the Appropriations Committee, and especially my good friend Chairman BOLAND and his subcommittee for bringing us a bill the veterans of this country can enthusiastically support.

Mr. DORN. Mr. Chairman, I want to join my colleagues in paying tribute to the distinguished chairman of the subcommittee, Mr. BOLAND, to the ranking member of the subcommittee, Mr. TALCOTT, to the distinguished chairman of the full committee, Mr. MAHON, and other members who serve on this great committee for their work in getting this bill before us today. It is one I can enthusiastically support.

The appropriation for veterans' programs and benefits is the largest in history—more than \$13.4 billion in new budget authority. It is a net increase of more than \$54 million over the amount appropriated for the current fiscal year. Many of you will be interested in knowing where the money will be used. The funds will provide benefits and services to 29,100,000 veterans, the 65,800,000 members of their families, and the 3,800,000 survivors of deceased veterans.

These benefits will include compensation payments for 2,600,000 veterans and survivors of deceased veterans for service-connected disabilities and death; pension payments for 2,300,000 non-service-connected disabled veterans, widows and children in need of financial assistance; educational and training assistance to 2,000,000 veterans and 76,000 sons,

daughters, wives, and widows of deceased or seriously disabled veterans; housing credit assistance in the form of 350,000 guaranteed and 2,600 direct loans; supervision of a life insurance program covering 8,500,000 veterans and active duty servicemen; inpatient care and treatment of some 1,189,000 beneficiaries in the 170 hospitals, domiciliaries, 87 nursing homes and other facilities; outpatient medical treatment involving nearly 15,000,000 visits; and the operating costs for the National Cemetery System transferred to the Veterans' Administration on September 1, 1973.

The bill provides the full budget estimate of \$6,643,800,000 for compensation and pension payments; this does not include funds for Public Law 93-295 that became effective on May 1.

There is \$2,676,000,000 in the bill for readjustment benefits payments in 1975. These funds will be used to finance the education, training, and rehabilitation of veterans and servicemen, and educational assistance allowances for eligible dependents of veterans who died from service-connected causes or have a total and permanent rated service-connected disability, and servicemen who were captured or missing in action. Two supplementals for readjustment benefits were passed during the current year totaling \$827,000,000. Seventy-seven million dollars was appropriated to take care of the 30-day extension of time we provided for veterans to complete their training under the GI bill.

This bill contains no appropriation for insurance programs, although a transfer of \$6 million from the veterans special insurance fund was proposed in the original budget estimates. The enactment of Public Law 93-289, effective May 24, 1974, makes policies under the veterans special life insurance fund participating insurance and eligible for dividends.

Mr. Chairman, I am pleased that the Appropriations Committee has included \$3,190,044,000 for medical care in this bill. This is \$330,871,000 above the current fiscal year and \$15,044,000 above the budget request of the administration. Most of the \$15 million will go to provide for an additional 1,000 nursing or direct patient care positions. The medical program is one that receives total support from the Congress. The Committee on Appropriations has on several occasions during its hearings informed the Administrator of Veterans' Affairs that it stands ready to favorably consider additional funding for the medical program if needed.

Although the administration did not request any funds for assistance for Health Manpower Training Institutions, the Appropriations Committee has provided \$30 million for this purpose. Public Law 92-541 authorized the Administrator of Veterans' Affairs to implement a pilot program under which he may provide assistance in the establishment of new State medical schools at colleges or universities which are primarily supported by the States in which they are located if such schools are located in proximity to, and operated in conjunction with, Veterans' Administration medical facilities. The Veterans' Administration has approved such a project for South Carolina

provided approval is granted by the South Carolina General Assembly.

Part II of Public Law 92-541 authorizes the Administrator to carry out a program of grants to existing medical schools which have maintained affiliations with the Veterans' Administration in order to assist such schools to expand and improve their training capacities. Grant application requests for the first 12 months totaled \$71,500,000. The \$30 million in this bill, and the \$45 million already appropriated, brings total funding for this grant assistance program to \$75 million.

Mr. Chairman, I am especially pleased that the bill we have before us provides for the first time in many years a realistic VA construction program. This bill has \$230,850,000 for major construction projects. It is the largest VA construction appropriation since shortly after World War II. In addition, construction projects already initiated or proposed for fiscal year 1975 will require an estimated \$233 million in the future to complete.

The bill includes \$21,573,000 for construction of the new construction and modernization program at the Veterans' Administration Hospital in Columbia, S.C.; \$3,093,000 had already been available through 1974, and it is anticipated that an additional \$4,972,000 will be required in the future. We are pleased that this major construction program for Columbia can finally begin. This has been a project we have worked long and hard to get and I am delighted the Veterans' Administration can now proceed with construction as soon as the Senate acts and the bill is signed by the President. When completed it is going to be one of the finest VA hospital facilities anywhere in the country.

Again I want to thank the members of the Appropriations Committee, and especially my great friend and colleague, Chairman BOLAND, for giving us an appropriation that will allow the Veterans' Administration to provide a high quality of services and care for our veterans and their dependents.

Mr. FREY. Mr. Chairman, I would like to compliment the chairman for his leadership in preparing this excellently balanced bill, particularly as it relates to the NASA space program. I would like to point out by way of background that a year ago NASA's fiscal year 1974 budget was sharply reduced below the \$3.4 billion level previously planned by the administration as a long-term level which should be sustained. At the time of last year's administration request, it was recognized that increases would be required in the NASA budget in fiscal year 1975, and in subsequent years, in order to achieve the funding level required to maintain a balanced space and aeronautics program.

The administration did provide an increase in the fiscal year 1975 budget over the budget of last year, but because of the financial constraints within which the overall national budget was prepared, the proposed \$100 million increase is much less than is required to maintain NASA's effort at the previously agreed-to-level.

As a result, a number of high priority

programs are being delayed or otherwise reduced in scope. Most notably, the Space Shuttle, as the basic space transportation system for the coming decades, is being delayed approximately 6 months in its development cycle. The difficulty with such program cutbacks, of course, is the fact that these reductions often result later in increased total program costs, because of the complexity and scale of the programs.

I strongly regret that the Space Shuttle, as one of the most outstanding space programs this Nation has ever undertaken, must bear the brunt of the budget cutback. The implications of this reduction are far ranging with the actual impact being felt throughout the entire NASA program. Since the Space Shuttle will now be pushed back in its timetable for use to the second quarter of 1979, major thrusts in such fields as communications, earth resources, and meteorology will be correspondingly delayed because of their dependence upon the Space Shuttle.

The space program in fact suffers a critical problem with respect to the entire manned space flight effort. The major reason for the emerging Shuttle program, the next major manned space effort by the United States, is to reduce the costs of space activities by utilizing, reusable rocket engines and spacecraft. In this fashion, the cost of launching a single Shuttle orbiter—the actual vehicle which will carry the multiple-mission payloads—will be approximately \$10 million. In comparison, many tens of millions of dollars are now involved in each single-use rocket launching.

Thus the Shuttle program is the key in developing the full potential of space for scientific studies, for commercial processes, and for various other uses, including the visionary possibility of establishing huge solar collection systems to provide electrical energy to the Earth. These are the types of activities being held back or curtailed by delaying development of the Shuttle; activities which are destined to provide a more immediate and highly beneficial payoff on the many hard earned tax dollars which the public has invested.

Many benefits have already accrued to us through our exploitation of space. Great advances have been made in communications, weather forecasting, medicine, education, and transportation. In the future the space program will play a major role in addressing such pressing difficulties as urban redevelopment, mass transit systems, development of energy resources, prevention of natural disasters, and others. But our progress will be significantly slowed if this Nation does not continue with the development of an economical and cost-effective means of delivering our satellites to space and maintaining them once they are in operation. Plainly and simply, this means the Space Shuttle.

The space program affects every one of our lives every single day in more ways than we could ever appreciate. The direct benefits, as well as the spinoff benefits, of the space program are endless. The space program is a people-oriented program directed at solving our most pressing societal needs. I therefore

see this modest but responsible NASA budget which the committee has reported to the floor as an essential program for the continued well-being of our Nation.

Mr. Chairman, the NASA program, and the Space Shuttle program as the single major element within the budget, are efforts to which we should lend our full support and encouragement. I urge a favorable consideration of this bill by my colleagues in the House.

Mr. HANRAHAN. Mr. Chairman, despite my continued and vehement opposition to federally subsidized housing, I voted for H.R. 15572, the 1975 Department of Housing and Urban Development, space, science, veterans' appropriation bill on June 26, 1974. Because this bill has many excellent provisions pertaining to veterans and science programs, I felt it extremely important, and therefore voted in favor of the entire bill.

However, I will persist in my opposition to the principle of federally subsidized housing. Authorization for such tremendous Federal expenditure in this area is particularly appalling in the light of the inflation of recent years.

Mr. WHALEN. Mr. Chairman, I commend the members of the Appropriations Committee and its subcommittee which drafted the legislation before us this afternoon, H.R. 15572, for their careful attention to the needs of our veterans.

The appropriations recommended in this bill are the largest amount in the history of veterans' programs. However, a far more important fact is that moneys are earmarked to meet urgent needs in the areas of medical care and physical structures. The committee has also emphasized in its report that it stands ready to act on proposals to supplement further medical care funding as it is justified.

The one flaw I find in this measure is not the fault of the Appropriations Committee. I had hoped that agreement on legislation to increase educational and training benefits and to extend the eligibility period for Vietnam veterans would have been reached prior to the consideration of H.R. 15572. Had it been possible to do so, these veterans would not have to anticipate additional delays in the processing and receipt of their benefits. Thus, I urge that final action on the authorization legislation be taken as soon as possible. Perhaps then the necessary funds can be incorporated in this measure before it is approved in its final form.

Mr. BADILLO. Mr. Chairman, it is with extreme apprehension that I survey the direction taken by the housing legislation before Congress this year. While I shall certainly vote for the HUD appropriation bill—making \$200 million in urban renewal, \$125 million in Model Cities' moneys, and \$70 million in rehabilitation funds available to our hard-pressed cities and other localities for the purpose of continuing these programs until January 1, 1975—I am gravely concerned about the fate of the housing programs designed to serve low- and moderate-income people.

In New York City approximately 640,000 families are presently eligible for some form of subsidized housing. Of this number, 144,000 are on the waiting list for low-rent public housing. More than

75 percent of all multifamily housing starts in the city last year involved assisted housing. Yet despite this tremendous, demonstrated need for the continuation of low- and moderate-income programs, the administration proposes to attempt to meet the diverse needs of all qualifying segments of our population under its new, untried section 23 program. Informed sources inform me that in its present form this proposal will mean the end of economic integration in New York City, the death of all moderate-income housing, and a serious curtailment of low-rent housing construction. From the point of view of my district and New York City, this approach just does not make sense and is counterproductive.

Moreover, the administration is yet to present convincing statistics demonstrating that section 23 will work, or even that it will be desirable to contractors. It is my understanding that considerable reservations were expressed with regard to this program before the Senate Banking and Currency Committee. As a result, the Senate panel incorporated in its version of the housing bill sections 501 and 502—revised versions of the former section 235 and 236 programs—as well as setting aside funds for continued low-income housing construction. Nor can this program be represented as less costly than the housing programs of the past. Its estimated \$3,075 construction cost per unit will outpace low-rent public housing's unit cost of \$1,870, exceed cost requirements of section 236 which requires an outlay of \$1,296, and more than double the \$1,143 needed for section 235.

Nor are the production estimates encouraging. The administration proposes a 300,000 unit goal for fiscal 1975. This is, of course, an increase over last year's figures which were unnaturally depressed by the moratorium designed to permit the completion only of projects already in the pipelines by January 1973, and appears to fall approximately 25 percent short of the number of units completed during fiscal 1972. But the problem is not limited to construction figures. All the units constructed during those years were for the use of low- and moderate-income families, while under this new approach, with the exceptions to be made on behalf of units to be occupied by senior citizens and smaller projects, only 20 to 30 percent of total

available units will be earmarked for the low-income groups.

Mr. Chairman, I cannot understand how, at a time of constantly rising interest rates, exorbitant construction costs and rampant inflation which erodes the value of earnings and savings alike, the administration can propose and this Congress can enact a program which will reduce, by a very substantial percentage, the housing assistance available to the poor people in our country. I believe that, unless substantial changes are made in this program, unless moneys are earmarked for public housing construction, some continuity for present programs is assured, realistic construction goals are established that coincide with the actual housing needs, and some agreement is reached that would mandate the assumption of proven programs should the section 23 program founder, we will come to rue the day we were lulled into accepting the administration's proposal.

It would appear from the record of the hearings as well as the contents of the committee report which accompanies H.R. 15572, that the Appropriations Committee shared my strong reservations about the section 23 program. It is to be hoped that its directive with regard to the administration funds earmarked for section 23, prohibiting the use of the moneys for that purpose "without the companion administration and implementation of the full unused balance of section 236 contract authority" will serve to curb the administration's determination to withhold available, appropriated moneys from proven housing programs. At present \$150,000,000 is still available for the highly successful section 202, which has served the needs of our senior citizens without controversy and almost entirely without default for a good number of years. This money could profitably be spent during the upcoming transition period. Also unspent are \$237,055,000 and \$167,286,000 for sections 235 and 236 respectively. Commitment of these funds now would go a long way toward meeting the desperate housing needs of our country.

Mr. ALEXANDER. Mr. Chairman, today we consider H.R. 15572, one of the most important appropriations bills which we will deal with from a standpoint of community development. The

billions of dollars which the Department of Housing and Urban Development alone has for housing and community development programs are major stimuli in this area.

In addition this bill contains appropriations for disaster relief, Federal Communications Commission, Federal Home Loan Bank Board, National Aeronautics and Space Administration, National Science Foundation, Renegotiation Board, Securities and Exchange Commission, the Veterans' Administration and Selective Service System, all of which have to varying degrees a potential for influencing the economic health of a city, a suburb, or the countryside.

The committee recommends to the House that we approve \$20.6 billion in appropriations with our votes on this bill. It is very disturbing to me that studying this report actually tells us so little about which specific programs in, for instance, the housing category, are getting how much money. I would hope that in the future as the Congress moves more to exercising its rightful and constitutional responsibility for budget control this situation will change.

As I have done before, I have attempted to analyze at least a selected few programs, where the data is available, to determine based in the outlays in fiscal year 1973 what we might expect of these moneys to be spent in nonmetropolitan counties. I would point out here that in the case of both the urban renewal program and model cities program categories shown in the chart, the funds are for only the first 6 months of the fiscal year. This is in anticipation of passage of a new Housing and Urban Development Act which contains provisions for a community block grant program.

And while \$1.079 billion in new obligatory authority will be available under "permanent" law, not needing annual appropriations, for the Federal Housing Administration fund it is presently not possible with the information available to me to estimate what might be expected to be the investment in nonmetropolitan counties from this direction.

The chart which I make a part of the RECORD at this time contains the data which we have been able to develop relating to the metropolitan-nonmetropolitan division of the moneys in a small group of categories:

[Dollar amounts in millions]

Program	1975 committee recommendation	1975 amount for non-metropolitan counties	1974 appropriations	Percentage of fiscal year 1973 outlays going to non-metropolitan areas	Program	1975 committee recommendation	1975 amount for non-metropolitan counties	1974 appropriations	Percentage of fiscal year 1973 outlays going to non-metropolitan areas
<b>Housing and urban development:</b>									
Community planning and development programs:					National Aeronautics and Space Administration:				
Urban renewal programs.....	\$200.0	\$38.8	\$600.0	19.4	Research and development.....	\$2,327.4	\$32.6	\$2,189.3	1.4
Model Cities.....	250.0	5.7	150.0	4.6	Construction of facilities.....	135.7	4.6	101.1	3.4
Comprehensive planning grants.....	100.0	12.6	75.0	12.6	Research and program management.....	740.0	14.0	744.6	1.9
Housing:					NASA subtotal.....	3,203.1	51.2	3,035.0	
Low-rent public housing grants.....	430.0	1.7	280.0	.4	Veterans Administration:				
HUD subtotal.....	765.0	58.8	1,105.0		Compensation and pensions.....	6,716.2	1,666.4	6,643.8	26.3
					Construction.....	230,850.0	730,042.0	68,343.0	21.6
					VA subtotal.....	241,534.3	74,918.4	79,126.8	

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 15572. As a member of the Committee on Veterans' Affairs, I am gratified that the Appropriations Committee has arrived at what appears to represent a reasonable overall funding level for the Veterans' Administration for the 1975 fiscal year.

My principal interest lies in insuring that this vast Agency, which administers the program of benefits and services for more than 29 million living veterans and their families and almost 4 million survivors of deceased veterans, has sufficient funds to provide the benefits and services that a grateful nation has authorized.

A look at this appropriation bears out the contention that we have the most extensive veterans' program of any nation on earth. Slightly over 70 percent of this appropriation, more than \$9 billion, will be spent for direct veterans benefits, while more than \$3 billion will be expended to operate the hospital and medical program.

These funds will produce an increase of 9,996 in the Veterans' Administration's average employment, bringing the total work force to 194,570, the highest employment level since 1947. Most of the new employees will go to the hospital and medical program, thus raising the staffing ratio to an all-time high.

New record levels will also be set with hospital treatment for 1,188,920 patients and 14,974,000 outpatient medical visits.

The hospital construction appropriation of \$276 million is the highest in VA history and is \$33 million more than the request for the post World War II building boom of 1946.

The largest single item in this appropriation is the payment of \$6.7 billion in monthly compensation and pension to 4.9 million veterans and survivors.

Mr. Chairman, the committee is to be commended for its compassionate understanding of the needs of the Nation's veterans and their dependents. I am particularly gratified at the pledge contained in the committee report that—

The Committee continues to stand ready to favorably entertain consideration of future justified proposals submitted by the Administration to supplement medical care funding provided in this bill as such needs develop.

Mr. Chairman, I support this bill and urge that it be passed.

Mr. WOLFF. Mr. Chairman, as the House debates H.R. 15572, making fiscal year 1975 appropriations for HUD, space, science, and veterans programs, I would like to draw the attention of my colleagues to certain of the very important veterans' programs that will be funded through this legislation.

The committee has recommended approximately \$3 billion to handle the health care needs of our veterans' population. This is about \$15 million over the budget request. Just a few months ago, the President proclaimed:

We must spend whatever money is necessary so that the quality of care in (veterans) hospitals will be second to none.

Unfortunately, the President's budget request did not adequately reflect this sentiment. For the past several years, I, along with many members and the Ap-

propriations Committee, have expressed concern over the inadequacy of funding for upgrading and expanding medical care for vets. Veterans in my district who seek adequate medical care are plagued with a shortage of beds, a shortage of personnel and a shortage of facilities in general. Prior to our having the St. Albans Naval Hospital in Queens transferred to the VA, many vets in Nassau and Queens had to travel as much as 40 miles to get to a VA facility.

I have also found that there is a general lack of information as to what VA medical services are provided, and I know that the situation is pretty much the same throughout the country. The additional personnel and services that will be made possible by the committee's budget recommendation are the minimum requirement for continuing adequate medical care and for meeting acceptable bed levels to meet the health care needs of our vets. The committee must be commended for taking the lead in insuring necessary funding; it is now incumbent upon the administration to work with us in examining the quality of veterans' medical care and taking the steps necessary to insure that it will be "second to none."

In line with the need for upgrading veterans' health care, the committee has also recommended \$30 million above the budget for additional assistance for health manpower training institutions, bringing total funding for this grant assistance program to \$75 million. I feel this program is important not only because it will help to ease the shortage of medical personnel in our VA facilities, but also because it may help the many young men and women who wish to enter the medical profession but whose desires are frustrated because of the overcrowding in our medical schools and the shortage of health manpower training programs. There is without question a critical shortage of doctors and trained personnel in the allied health services in this country; many experts feel that on a short-term basis only, we are lacking about 50,000 doctors.

Yet, ironically, there are countless numbers of young people in this country who want to enter the medical profession but are unable to secure the necessary training. The assistance for health manpower training institutions provided in this bill addresses itself not only to a basic need of our veterans population, but also responds to what has become a national problem and priority.

Mr. Chairman, I would also like to commend the committee for the funding they have seen fit to recommend for modernization of St. Albans Hospital in Queens, N.Y. Just a few months ago, I and my distinguished colleague and member of the Appropriations Committee, Mr. ADDABBO, saw the realization of an effort we had begun over a year ago—that of having the Veterans' Administration assume responsibility for St. Albans.

Veterans in the New York area were in dire need of a new VA facility. My district office alone in just a year's time handled over a hundred cases of veterans who had been turned away from VA facilities because of the shortage of beds; and these were vets, mainly the

older vet from World Wars I and II, who were desperately in need of medical care. This was the kind of situation that confronted us when the Navy announced that they were planning to dispose of St. Albans Hospital. Their announcement presented an opportunity of providing a needed new VA facility for New York veterans making use of existing structures. The committee's recommendation of \$4,600,000 for St. Albans will help to make possible quality health care for thousands of veterans whose earlier prospects for care were dim.

Finally, I would like to briefly comment on the educational needs of today's young veteran, the Vietnam era veteran. This bill contains close to \$3 billion for readjustments in benefits payments in 1975, which includes education, training, rehabilitation for veterans, and educational assistance allowances for the dependents of vets. We have also provided a supplemental appropriation for increased costs due to expanded enrollment under the GI bill. This is a healthy sign; the education of today's veteran is one of the wisest investments we can make.

While we are making progress, as evidenced by this bill, in meeting the needs of the Vietnam veteran, we have not yet fulfilled the responsibility we have to those who served, particularly in the area of education. Congress has not yet enacted needed improvements under the present GI bill. We have yet to provide an increase in education benefits to counteract the nearly 20-percent rise in the cost-of-living since the last increase in 1972. We have yet to provide a tuition supplement to offset the soaring costs of education and help the veteran who is unable to afford to enroll in school.

And, we have yet to provide a 2-year extension of the delimiting period so that vets now in school can complete their education under the GI bill. Some of these provisions have been passed by the House; all of them have been adopted by the Senate. The House has a responsibility to work with the Senate to see that they are all enacted. The Vietnam veteran has the right to be afforded the same benefits and opportunities that were provided to the veteran of World War II. The provisions I have listed will serve to insure that this right is honored.

In conclusion, Mr. Chairman, I would urge my colleagues not only to consider the importance of the funding contained in this bill, but also to recognize the responsibilities which lie ahead of us to those who made considerable sacrifices on behalf of this Nation.

Mr. NIX. Mr. Chairman, I rise in support of H.R. 15572, the appropriations bill for the Department of Housing and Urban Development and for space, science, veterans, and other programs.

I am pleased that the committee has acted firmly to try to avoid a total collapse of the housing market in this country. The committee's report notes, correctly I believe, that the administration's moratorium on housing programs, together with skyrocketing interest rates, has led to a serious housing recession. We must turn this situation around. A major slump in housing not only makes it harder for people to find a decent place

to live at prices they can afford, it also has a disastrous effect on the whole economy.

I believe the committee acted very responsibly in providing full funding for housing production and mortgage credit programs and also in providing transitional funding for the urban renewal, model cities, and rehabilitation loan fund programs.

I am also pleased that the committee continues to exert pressure on the administration to improve the quality of services to our Nation's veterans. It is shocking to see what a low level of priority this administration has given to our veterans' programs.

This bill provides important new funding for the construction and improvement of hospitals and other facilities for veterans. The committee also wisely added funds to the administration's requests for medical care for veterans and for assistance for health manpower training institutions.

Mr. Chairman, I congratulate the gentleman from Massachusetts (Mr. BOLAND) and the members of the Appropriations Committee for their fine work, and I support the bill.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL AERONAUTICS AND SPACE  
ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by section 7 of the National Aeronautics and Space Administration Authorization Act, 1975; and purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration, \$2,327,380,000, to remain available until expended.

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

Mr. Chairman, as we consider these appropriations today, I would especially like to commend before the House the report concerning funding for NASA, which is the result of most thorough and diligent study and deliberation by the Appropriations Committee on Housing and Urban Development, Space, Science, and Veterans appropriations.

The distinguished and able chairman, Mr. BOLAND of Massachusetts, and his colleagues and staff, have done an outstanding job in making a proper analysis of the achievements and capabilities of our NASA scientists and in directing funding toward the areas where this agency can best serve our Nation.

Because the Lyndon B. Johnson Space Center is in my district, I am intimately familiar with the work that NASA is doing. But I can understand how there are many Members of the Congress and the public who may wonder about the need for continuing appropriations to NASA in the aftermath of an era of

glamorous space flight that reached its peak with the landing of men on the Moon.

Mr. Speaker, an era of glamour for NASA may be ended, but its work has not. The NASA team, the greatest assemblage of scientific talent the world has ever known, is continuing its program of not only advancing our knowledge of outer space, but in putting that knowledge and the technology that has resulted to work to solve our problems and to better our way of life here on Earth.

We will note in today's budget recommendation that our space program itself is by no means at an end.

Funds are provided to carry forward in the joint Apollo-Soyuz mission by Russian and American astronauts next summer.

We provide for a continuation of the Space Shuttle mission, starting in 1979.

There is funding for the Viking program, which will allow this Nation to send an unmanned space craft to a soft landing on Mars in 1976.

And a good portion of the space budget is directed toward further development of a strong aeronautics research program and expanding our use of various weather and scientific satellites.

The work of NASA scientists will provide increasing benefits in our drive to find new sources of energy, to combat pollution, to make the most efficient uses of our natural resources, to give our citizens better health and medical services and to put space-age technology to work for us in many other ways.

We can be assured that with our understanding of what NASA is doing and with our continued support, this Nation will continue to be second to none in scientific advancement.

The successful Skylab program was indeed the end of one era for our space program.

But now we are beginning a new era, one that may be less glamorous, but one that will bring new heights of technological achievement.

I know that today's action by the House in approving this appropriation recommendation reflects a reaffirmation that support by the Congress, and by the public, remains strong for our Nation's space team, whose past accomplishments have made our Nation the undisputed world leader in science and technology.

I also know, Mr. Chairman, that our faith in NASA will continue to be well placed.

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

Mr. Chairman, I take this time to make inquiry of the distinguished chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND), because I am concerned about the proposed expenditures under the space program. I am particularly concerned with the schedule that has been laid out for the Space Shuttle.

Is the information that I have received correct, Mr. Chairman, that it is proposed by the Space Administration to spend in excess of \$40 billion over the next 15 years on the Space Shuttle?

Mr. BOLAND. Mr. Chairman, will the gentleman yield to me?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, the gentleman is correct. The entire cost of the national and international program for 725 missions carrying 986 payloads breaks down as follows: The Space Shuttle cost, including design, development, testing, and engineering of seven Shuttle Orbiters, Space Tugs, and Space Labs comes to \$9 billion. The NASA payload cost is \$22 billion. The foreign payload cost, for which they reimburse NASA of course, is \$2 billion. The Department of Defense payload cost, for which the Department of Defense pays, is \$11.7 billion. The commercial payload cost is \$4.5 billion; for a total of \$49.2 billion.

Of the \$49.2 billion, the total NASA cost is approximately \$31 billion covering the entire research and development costs of the NASA program from 1973 to 1991.

To launch the same 986 payloads with expendable boosters would cost \$14 billion more, so I think this does illustrate the dramatic cost savings that the Shuttle can achieve.

Mr. YATES. Can the chairman tell us what the possible benefits to the Nation are through the expenditure of this enormous sum of money?

Mr. BOLAND. The members of the Science and Astronautics Committee could do this better, but I might mention, just as an example, that most of the people of this earth use alternating current. It is costly and as much as 25 percent of the electrical energy is lost in transmission. However, direct current systems, using underground cabling, are far better economically and ecologically. Direct current systems have tested out well but a critical component need exists—large crystals which are used to rectify and regulate the current. The crystals need to be 6 to 12 inches in diameter. Earth based crystal processing limits their size to 2 to 4 inches in diameter because of gravity and so the potential efficiency of these direct current distribution systems is constrained.

It is understandable then that the crystals grown in space during the last Skylab mission caused such excitement. Studies showed their size and homogeneity greatly surpassed those grown on Earth. In zero gravity, it is possible to reform crystals that are more nearly perfect. It is estimated that 350 new generating plants over the next 20 years raises the possibility of \$100,000,000 a year in demand for these crystals.

With large, space manufactured crystals, the potential exists for major increases in the capability of integrated circuits. As an example, a thin slice about the size of a quarter of a near perfect crystal can serve as the lens of a TV camera requiring no lights to function—it just needs the heat radiated from people or objects. Such a perfect crystal can only be produced in zero gravity.

In the opinion of scientists it is no longer a matter of speculation that materials processing in space presents one of the greatest opportunities ever afforded to benefit mankind.

NASA indicates to us that this may

save, in the long run, the long pull, billions of dollars. How much I do not know, but at least we know that the savings which will be found in this area will be considerable.

Also, there is great potential in the development of vaccines and other antibiotics. These are developed with higher quality where there is no gravity. The space environment, with its absence of gravity, enables scientists to work with mixtures of blood cells, bacterial colonies, or other biological materials in liquid solution, without being limited by the tendency of these substances to settle to the bottom or rise to the top of the solution. So these are just a few of the very dramatic possibilities of materials and biological processing in space. Hopefully, this research may pay the entire cost of the space program.

Mr. YATES. Did the committee look into the possibility of spacing out further the space program to save money?

Mr. BOLAND. No, the committee did not. As the gentleman well knows, a pushing out of the space program or spacing out the space program or extending it, of course, always adds to the cost of the program. I presume that if inflation continues at the rate we have now, if we extended the program, the cost would be greater.

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

Mr. YATES. Yes, I yield to the gentleman from Indiana.

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

The gentleman in his opening statement stressed the fact that the development of the Space Shuttle was the result of a decision to make this national policy.

I have shared the gentleman from Illinois' concern for a long time concerning the Space Shuttle, but I came to the conclusion that if we are going to have a space program, the shuttle is absolutely necessary. It does not simply involve just glamorous things. Some very practical things are involved in the use of the space shuttle, and more particularly, as the Tug is developed for the Space Shuttle, we can service satellites which are in synchronous orbit.

What are the satellites I am speaking of? I am talking about the weather satellite that is able to give us weather predictions and weather conditions for the pilots, say, who fly across the ocean. I am talking about the earth resources satellite, the satellite which measures growth on the earth, which will be able to detect crop disease for the farmer. I am talking about the communications satellite. Finally, with the development of the Tug, we will be able to carry satellites into orbit. We will be able to retrieve them from orbit, bring them back to Earth, and service them. We will be able to service them while they are in orbit.

These are programs which affect every life in this country and which have some bearing on the quality of life in this country.

I came to the conclusion that we had to have the space shuttle if we were going to advance technologically and if we are going to truly serve the welfare of the American people.

Mr. YATES. I would suggest that the gentleman or some member of the Science and Astronautics Committee place in the RECORD at this point a list of the achievements that are hoped to be attained with the expenditure of this vast sum of money.

I respect the gentleman's contribution. In view of the expenditures that are contemplated, that the American people would like to know just what the benefits are likely to be. We will try to include in the RECORD at this point some of the initial benefits that have only started to develop:

#### BIOMEDICAL CARDIOLOGY

Rechargeable Cardiac Pacemaker. A rechargeable cardiac pacemaker smaller than a cigarette pack and powered by nickel-cadmium batteries originally developed for NASA spacecraft power systems is now being worn by heart patients in the United States. The unit, developed by the Johns Hopkins Applied Physics Laboratory in Maryland eliminates the previous requirement for periodic removal of implanted pacemakers because of battery depletion. Such surgical removals and re-implantations of the old-style and bulkier units posed unavoidable risks and discomfort and costs to patients who depend on electronic pacemakers to control erratic or weak heart rates. Whereas conventional mercury cell powered pacemakers must be replaced at least once every two years, the rechargeable unit should last a minimum of 10 and possibly 20 years. This reduction in costs to the patient and surgical risk is particularly important.

The new pacemaker allows the heart patient—young, middle-aged, or elderly—to recharge his pacemaker conveniently and comfortably once a week at home. Should the patient forget or neglect his weekly recharge, he will, in fact, face no danger as the system contains enough energy for at least 8 weeks' operation. For infants requiring pacemakers, the parent can operate the recharging unit. The new pacemakers being less than half the volume of conventional pacers facilitates its use in children. All the patient needs to do is don a special vest to which the pacemaker is then magnetically coupled for recharging. The recharging takes about 90 minutes.

Emergency Ambulance Cardiac Care System. In cooperation with NASA, SCI Systems, Inc. of Houston, has adapted SKYLAB technology in the development of an ambulance-carried compact medical unit that contains essential equipment designed to meet heart patients' diagnostic and therapeutic needs at the scene of an emergency. The unit based in part on technology derived from the NASA manned spaceflight program includes two-way voice and EKG telemetry systems, weighs only 40 pounds, and is now commercially available.

The unit, called Telecare, brings together all the basic components required to meet medical emergencies. They are combined for the first time in a single portable package about the size of a suitcase. These components, to be used by ambulance personnel and physicians, include: a respiratory resuscitation system; a 15-minute chlorate candle oxygen supply contained in a lightweight canister whose design is derived from space technology; an electrocardiogram display and telemetry system that can relay cardiac data to the receiving hospital and the physicians who will provide later treatment to the patient; a defibrillator for external heart stimulation; a semiautomatic indirect blood pressure measurement system using a special microphone positioned under a hand-inflated cuff similar to the blood pressure device developed for the NASA Skylab program; and

a basic pharmaceutical pack. Optional equipment available includes an electroencephalograph that can provide remote observation of brain-wave action. Its technology is derived from the Skylab sleep analyzer—plus a strip-chart data recorder and tape recorder.

The Telecare system has already been tested successfully by the city of Houston. Houston is now equipping 28 of its municipal medical rescue vehicles with Telecare units and is training technicians to use the units. A number of other cities are currently evaluating the new unit.

Cardiac Diagnostic Assist Computer. Apollo technology in the fields of small computers, man-machine interactions, and real-time signal processing methods, is being used at The Draper Laboratory in Massachusetts to develop a bedside biomedical computer to aid the diagnosis and treatment of cardiovascular disease. The purpose of the project is to create a free-standing system combining computer analysis and biomedical instrumentation that can be deployed at the bedside of the patient or in the outpatient area of the hospital. Such a system would use non-invasive measurements of the patient's physiology and could provide the doctor or his assistants with rapid analysis of a patient's condition, give assistance in differential diagnosis and help predict the response to therapy.

Physicians and cardiologists at the MIT Clinical Research Center and the Massachusetts General Hospital are collaborating with The Draper Laboratory on this project. The prototype system is expected to be ready for clinical field trials and evaluation by late 1974.

The long-term goal of the project is to develop a "dedicated" minicomputer system that could aid the attending general physician's diagnosis of cardiovascular disease. The final system will be small enough and portable enough to be wheeled from bedside to bedside and would be low enough in price to be deployed in large numbers in small community hospitals and in rural and urban clinics.

The system will aid the physician in a number of ways. It will acquire and process the electrical and acoustical output of the patient's cardiovascular system and compare these data with information in the patient's history. It will allow rapid assessment of diagnostic information. It will provide a unified record of data from the patient. And, it will give the attending physician statistical data relating the pattern of findings with possible diagnoses.

Artificial Heart Valve Mapping. NASA is collaborating in work at the University of Illinois in Urbana, and at Washington University in St. Louis aimed at gathering data needed for the development of artificial aortic valves for the heart. Stereophotogrammetry—a precision stereophotographic 'mapping' technique similar to that used to map the surface of the moon—is being used to measure, through precise geometric analysis, the distribution of flexion (bending) and stress in heart valves under varying conditions of pressure and flow.

The stress distribution analysis performed on aortic valve molds is fundamental to the design of an artificial heart valve. The principal stumbling block in that development has been the geometric definition of the complex asymmetric shape of the valve. The NASA mapping techniques have been a significant contribution to the solution of this problem in work now in progress at the University of Illinois (Urbana). The work is being coordinated with a large effort to develop a trileaflet aortic valve prosthesis underway at Washington University in St. Louis. Polymer and composite-materials advances, combined with progress in blood surface interface research sponsored by the National Institutes of Health Artificial Heart program, have laid the basic ground work for

the development of a trileaflet artificial heart valve.

Portable, Battery Operated Ultrasonic Echocardioscope. A portable, battery operated ultrasonic device originally designed by the NASA Ames Research Center to be carried aboard spacecraft to assess the performance of the heart in the weightlessness of space is being evaluated at the Stanford University School of Medicine for use in the care of heart disease patients. Ultrasound already has been quite useful clinically in the diagnosis of aortic, mitral and tricuspid valve disease, foreign bodies in the heart, the presence of pericardial effusion and specific congenital heart defects.

The active program of ultrasonic diagnosis at Stanford University Hospital has shown that most commercially available equipment is both bulky and potentially hazardous from an electrical standpoint. This is particularly true when the commercial equipment is used in a medical environment involving electrically-sensitive patients such as those found in the cardiac catheterization laboratory or in the newborn nursery. To overcome such problems it is conceivable and anticipated that ultrasonic imaging may eventually replace the use of X-rays for studying and evaluating the condition of a patient's heart.

#### BACTERIOLOGY

Automated Bacteria Detection System. Hospitals, physicians, clinics, the food processing industry, the brewing industry, and others requiring sterile manufacturing conditions may soon benefit from an automated rapid bacteria detection system based on instrumentation originally designed for life-detection mission of NASA's Mars-Voyager spacecraft.

The system offers a quick indication of the presence and quantity of bacteria by registering the amount of light emitted by the reaction between the ATP and luciferase, an enzyme derived from fireflies.

Johns Hopkins University, Tufts University-Medical Center, and Delaware State University are working with NASA to develop this technology. It is being investigated for the analysis of the effectiveness of antibiotic drugs against infectious agents and for its potential in monitoring kidney transplants, and for the detection of viruses. The major advantage of the new system is its ability to determine the amount of bacteria in a fluid in about 15 minutes, as compared with the 48 to 72 hours it normally takes to achieve similar results with conventional culturing medical laboratory techniques. By enabling physicians to determine rapidly the most appropriate antibiotics for treating infections, it is possible that the time required to effect a treatment may be greatly decreased—reducing the costs of hospitalization for the patient and freeing hospital facilities for other patients. Similarly, the determination of the most effective drug for fighting an infection can be accomplished now in less than 5 hours compared to the conventional 48 to 72 hours.

#### LEUKEMIA

White Blood Cell Preservation. A new technique for preserving white blood cells for use in the treatment of leukemia, the malignant blood disease that kills about 15,000 Americans each year, is being developed by NASA in collaboration with the National Cancer Institute (NCI).

Leukemia therapy involves the destruction, through the use of drugs or radiation, of cancerous white blood cells in the marrow where they are formed. These therapies create a problem because, with the loss of bone marrow, the body loses the ability to produce the normal white cells the patient requires to fight potential infections.

When this loss of bone marrow occurs, white cells must be resupplied to the pa-

tient. For this purpose, a bank or storage facility of white cells is required. This is impossible at present because adequate storage procedures are unavailable. Although red cells can be preserved by freezing, white cells are destroyed by the existing freezing and thawing techniques. One important parameter in freezing white blood cells is believed to be the rate of freezing. Rate of freezing cannot yet be controlled because of the plateau in the cooling rate when the latent heat is released at the freezing point.

The present method for freezing utilizes a liquid nitrogen system, which cools a secondary liquid, which in turn cools the cells contained in a flat Teflon bag. To prevent contamination of the cells, it is desirable that any new technique utilize a Teflon container. The basic requirement is a method of detecting the onset of freezing and increasing the heat transfer rate during the release of latent heat, so that a nearly constant rate of cooling can be maintained from room temperature to  $-50^{\circ}\text{C}$ .

This problem was forwarded to the NASA Jet Propulsion Laboratory (JPL) where a new configuration was suggested. The cells are held in a Teflon bladder surrounded by an electrical heating element and liquid nitrogen tubes. During the cooling cycle from room temperature to the freezing point, the heating coils control the cooling rate. At the freezing point, the electrically produced heat is reduced and the latent heat of the cells is rapidly removed. Then the heat is turned on again to control the rate until  $-50^{\circ}\text{C}$  is reached.

Although the proposed solution originated at JPL, implementation of this idea is being pursued by the NASA Goddard Space Flight Center (GSFC) because of the geographic proximity of NCI. GSFC personnel used computer-aided design to optimize the basic configuration before hardware construction. A computer simulation model was developed that allowed design modifications to be quickly evaluated. The computer analysis utilized the same techniques that NASA uses in space applications such as achieving thermal balance in spacecraft. Coordination between NCI and GSFC research staff members was closely maintained to ensure that the final device met all medical and engineering requirements. A prototype model of the design has been built and successfully tested. A laboratory model has been delivered to NCI for further research and evaluation.

#### BIOLOGICAL ISOLATION GARMENT

A special garment originally designed to provide a portable sterile environment for returning Apollo astronauts has been adapted by the National Cancer Institute to protect leukemia patients from infection while undergoing chemotherapy.

NCI has pioneered the use of laminar air flow rooms to provide a sterile environment for this therapy. But they have also wanted a portable sterile environment to permit patients to move from the sterile chambers to other places of treatment. The need was especially important for children who psychologically are less able to tolerate confinement in one room. The isolation garment permits them to leave the sterile laminar flow room for treatment and for recreation or visits with parents.

Queried by NCI, a NASA Biomedical Application Team suggested modifying the Apollo garment as a possible solution. The NASA Biological Isolation Garment has been designed for the Apollo astronauts to wear from the time of exit from the splashdown capsule to the time of arrival in the portable quarantine facility aboard the recovery ship.

The original garment, and particularly its associated headgear, posed certain heat, weight, and claustrophobia problems for medical patients, especially children. The NCI specialists decided to add a positive-

pressure portable air supply system to overcome the heat problem and provide ventilation. As many of the contaminants in the medical situation come from the surface of the patient's own body, a directed flow of air from the top of the head downward is provided to reduce the danger of self-contamination. An NCI contractor modified the face mask to suit the needs of patients and fabricated the child-size suit.

This technology transfer took place rapidly, thanks to experience with the earlier NASA garment and rapid, effective modifications for the special medical purpose. From the time the problem was posed, it took less than a month to deliver the modified version adapted to the needs of the Cancer Institute.

Used in conjunction with the sterile laminar flow rooms and chemotherapy, the new garment provides mobility, comfort and access to recreation for patients with very special needs.

#### INSTRUMENTATION

Computer Analysis of Infrared Photos of Skin Burns. The study and treatment of serious burn injuries is being assisted by computer-image enhancement techniques previously used to produce dramatic photos of distant planetary surfaces from data relayed by the NASA space probes.

The NASA Jet Propulsion Laboratory and the University of Southern California Medical Center are performing a detailed study of the use of computer-enhanced infrared photography for the early diagnosis of cutaneous thermal burn wounds. The immediate consequence of this study is to provide a simple clinical tool to accelerate the accurate diagnosis of the burn wound.

Developments in the treatment of burns over the past few years have indicated that early removal of the irreversibly destroyed tissue has many advantages. It reduces the risk of infection, the onset of thick scar tissue, and the loss of function to the damaged limb. It also appears to provide the best surgical results in the shortest time. However, in many cases it is impossible to differentiate between irreversibly damaged areas and those which would spontaneously heal with time. Treatment of the questionable areas thus depends quite heavily on the intuition and experience of the physician. Even though the physician is aided by many tools covering sensory, mechanical, and thermal phenomena, the only positive method available to him is to wait from three to four weeks until the natural healing pattern is established and the areas of the irreversibly damaged and putrefied tissue are indicated. If the physician decides to excise tissue before a precise diagnosis is available, the patient may suffer by not having sufficient tissue removed. Residual dead tissue would then remain as a source of infection and would ultimately require additional surgery and pain. If excessive tissue is initially removed, the patient would suffer by having viable tissue removed which could have assisted in the vital healing process. These complications would also reduce the supply of viable tissue which may be required for grafting. In any case, the delay or inaccuracy in the diagnosis of the irreversibly damaged tissue increases the danger of infection. Infection is the most common cause of death of the burned patient.

This technique is particularly attractive because, although a computer capability is required for the analysis of the image, the image of the burns can be photographed by an ordinary 35-mm camera using readily available commercial film and infrared filters. Since a wait of several days is normally required for surgeons to begin removing dead tissue, it would be quite feasible to send the infrared photo images to a centralized computer facility for rapid analysis.

In a series of early studies, it was possible to predict those areas which two days to two weeks later developed into areas which would require grafting. Based on an admittedly small data sample, it seems that computer-enhanced infrared photographs can reveal clotting deep within the skin or deep layers of dead tissue—an indication of a full thickness burn. Thus, it appears that infrared photography, enhanced in some cases by image processing, could be a powerful tool in a burn clinic. It should be possible to predict the viability or nonviability of burnt tissue and thereby accelerate the diagnosis process by weeks. This would allow the early surgical removal of nonviable tissue; and, would result in a major reduction of trauma and expense for the patient.

Selected volunteer patients from the Los Angeles County-University of Southern California Medical Center Burn Ward are being studied throughout the course of their care, beginning with admission and continuing to the time of accurate diagnosis. Data from processed photographs will be correlated with tissue biopsies and visible landmarks over this period. Image-processing techniques will be studied to determine optimum processing algorithms, and protocols will be established to yield maximal benefits of early clinical diagnosis for minimal cost.

**Infant Respiratory Assist Device.** The treatment of hyaline membrane disease (respiratory distress syndrome) by medical researchers at the University of Miami is being aided by technology used onboard the NASA SKYLAB. The respiratory assist device is patterned after the lower-body negative-pressure system developed for the SKYLAB program to control the body's blood distribution in zero gravity.

Respiratory distress syndrome is the major cause of death in the newborn. It is estimated that more than 20,000 babies succumb to this disease in the United States each year. Respiratory distress syndrome is a condition of the newborn in which the lungs are collapsed. It is believed to be caused by the absence, because of immaturity, of an alveolar substance that decreases the surface tension and permits the lungs to reexpand after each expiration.

Recently, researchers at several medical centers in the United States and Canada have reported encouraging results with the use of continuous positive airway pressure (CPAP) and continuous negative pressure (CNP) therapeutic techniques. The CPAP method uses an endotracheal tube which continuously forces oxygen-rich air into the lungs, while the CNP method keeps the infant's lungs expanded by subjecting the chest to continuous negative pressure. The negative pressure around the chest helps the infant to expand his lungs and to maintain the proper residual volume of air. If life can be sustained for 4 days by either method of treatment, the missing alveolar substance will be present in a sufficient quantity for normal unassisted breathing to occur.

The CNP method has been employed by specialists at the University of Miami School of Medicine, who were among the first to utilize the technique. First, a commercially available respirator was modified to produce a constant negative pressure. It has saved the lives of several infants. To improve this initially improvised system, the University of Miami medical team wished to fabricate a CNP chamber that would cover only the infant's thorax, arms, and upper abdomen. Such a system offers advantages over the use of continuous positive pressure in the airways:

(1) It avoids tracheal intubation and leaves the face free for nursing care. This point is of great importance since, in addition to feeding the infant, it is normally necessary to suck mucus from the infant's trachea at fre-

quent intervals. The CPAP must be discontinued during such nursing care.

(2) Its interference with venous return to the right heart will be minimal.

(3) It avoids the increase of air in the gastrointestinal tract.

The technology employed in the body seals of the Lower Body Negative Pressure System on the NASA 1973 Skylab mission has been applied directly in providing therapeutic treatment for respiratory syndrome. A NASA Marshall Space Flight Center (MSFC) engineer visited the University of Miami medical team to assist in the design of the air seal required at the waist in the CNP system. The waist seal designed for NASA's Lower Body Negative Pressure System appears to provide an excellent solution to the problem of sealing the CNP unit at the infant's waist. Additionally, the NASA seal is adjustable, which will allow the CNP chamber to accommodate infants of various sizes.

A preliminary design for the CNP system has been finished. The Department of Biomedical Engineering at the University of Miami plans to complete the fabrication of the CNP unit by the Spring of 1974.

**Video Requirements for Remote Medical Diagnosis.** With the increasing commitment to provide quality medical care to all citizens—be they in remote rural or inner-city areas—it has become clear that widespread use of television will become an important tool for the support of facilities remote from major medical institutions.

In light of this future need, a National Academy of Engineering subcommittee suggested that the NASA video-communications capability demonstrated in the Apollo missions could make a significant contribution to the system design and evaluation of the necessary video links for medical purposes.

While the concept of using video to assist the delivery of remote medical service is gaining widespread support, it is also clear that the standard commercial video image is not ideally suited to many medical applications. Also, given the scarcity of available frequency spectrum space, bandwidth, and the economics of transmission systems, it is important to determine what is truly required of the video system. For instance, the viewing of an X-ray negative or a microscope slide obviously does not require the high frame rates normally necessary for motion conditions although improved resolution would be desirable. High frame rates may only be necessary for certain specialized applications such as neurologic examination and physical or speech therapy.

In July 1972, NASA's Telemetry and Communications Division, at the Lyndon B. Johnson Space Center, began a study of video requirements for remote medical diagnosis. The NASA program includes medical, bioengineering and communications specialists. By determining minimum qualities of the video image necessary for a physician to gain enough information to make a valid diagnostic decision, the analysts have statistically determined the video requirements in a diversity of clinical situations. At the completion of the program, scheduled for early 1974, NASA plans to define the extent of medical services which can be provided for varying investments in video equipment. The study will be incorporated into STARPAHC (Space Technology Applied to Rural Papago Area Health Care), a joint Indian Health Service/NASA project on the Papago Reservation in Arizona.

#### REHABILITATION

**Remote Manipulator Technology.** As a prelude to further interactions with the Veterans Administration and the Social and Rehabilitation Services of the Department of Health, Education and Welfare in the area of aids for the handicapped, a study to define the systems requirements for the application of space teleoperator technology to

the problems of the handicapped has been completed by NASA. An HEW study indicates that 2.75 percent of the general population is limited in the capability to perform normal activities due to paralysis loss of limbs and non-paralytic orthopedic impairments.

The first portion of the NASA systems study was to develop a set of integrated system user requirements upon which to base the design concepts. Relying on requirements reduces not only the time required for conceptual design but also the number of, and cost of, concepts which, when fabricated, are found to be ineffective. The careful identification of system requirements also facilitates the identification of problems for the handicapped.

The primary need of the handicapped person is independence in daily living. To the degree that a person is hindered in performing a task, he is dependent on someone else for assistance. It can be argued that causing a handicapped person to rely or depend on a mechanical device to perform his required functions is really not making him independent. But even normal man depends more and more on mechanical aids in his everyday life. He depends on transportation systems to take him where his legs cannot. He depends on the telephone to carry his voice to great distances. He depends on typewriters, ovens, elevators, oil well machinery, etc., without thinking twice about being dependent on the machines. Rather, dependency is an interpersonal relationship which connotes reliance on other people. Case histories of disabled individuals are replete with the psychological problems that accompany dependency on another person for even the most basic of human functions.

The needs of the handicapped form the basis for the systems requirements. The major needs can be described as:

Ensure a high degree of independence for the handicapped person.

Permit the performance of required and desired activities in a manner which is effective, safe, and comfortable.

Emphasize the performance of activities in a manner which approximates the "normal".

Enhance the accessibility and handling of objects used in everyday activities.

Precisely what activities should the system facilitate? Obviously, the ultimate goal is to enable the handicapped person to perform any activity he would be capable of performing if he was not handicapped. With the present state of technology, this goal remains beyond reach. Therefore, a more practical approach is to ensure that the handicapped can at least perform those activities identified as important in normal daily activities.

The activities to be facilitated by the system constitute the functional requirements of the system, that is what the system must do. As such, they provide the framework for establishing the capabilities which the system must possess. The level of capability to be incorporated into the system is derived from performance requirements. These define the accuracy, time, and energy requirements associated with each system function.

In the future, NASA will be working with the VA and HEW to apply its teleoperator research and development experience to the above functional requirements. NASA's experience in teleoperator development has covered sensors, manipulators, actuators, control systems, and mobility—each concerned with the man/machine interface. Sensors under development include video systems, touch sensors, force sensors and environment sensors. Manipulators include mechanical arm-like devices, grapplers, surface samplers and end effectors or tools for performing required mission operations. Actuators include hand and finger-like devices to perform tasks. Control system technology includes use of computer-aided devices for

manual control of manipulators, free fliers, sensors and support systems. Control technology for planetary teleoperators also includes artificial intelligence, which involves development of techniques of machine learning and adaptive control for providing some level of semi-autonomous behavior for systems too distant to be controlled directly. These approaches provide the teleoperator with a limited amount of on-board intelligent behavior. Mobility system technology comprises integration of subsystems and development of navigation, guidance, and propulsion or locomotion systems. The man-machine interface area includes all aspects of the effort to integrate the human operator with the system hardware and software. On the machine site this involves worksite technology, manipulator/effector technology, and controllers and displays. On the human end, the technology area includes sensory feedback, determination and maintenance of skills and skill levels, and measurement of operator workloads.

The NASA study matching functional requirements with teleoperator technology has been completed in the areas of manipulator devices, mobility units, remote-control systems and sensor systems.

Among the applications are: aids for auto driving, advanced control systems (including voice controlled systems), manipulators to increase patient reach, remote-controlled devices to serve as "mechanical servants", tactile and proximity sensors, manipulator attachments for prosthetics, and the development of standard criteria and evaluation tests. These have been ranked in terms of potential numbers of handicapped people to be served, the value of the potential benefits, and technical feasibility. NASA and the Veterans Administration Prosthetic Center are now working together in planning and coordinating the development evaluation and implementation of devices in several of the above named categories.

**Prosthetic-Control Systems for Paralyzed Patients.** NASA developed systems originally devised for the control of remotely-operated mechanical hands and manipulator devices in hazardous environments are being successfully adapted to assist paralyzed and amputee patients. The technology of NASA's space-oriented program has been combined to produce an upgraded proportional-control system which vastly increases the dexterity and the ease with which a totally paralyzed or amputee patient can use a prosthetic arm or hand.

Since most patients equipped with currently available artificial-hand devices have trouble handling power tools, rehabilitation researchers have been seeking improvements in manipulating capabilities in order to expand self-reliance among the handicapped.

Adapting a powered terminal device known as MATH, used in conjunction with proportional-control techniques, a prosthetic device has been developed which allows an amputee to use his prosthetic to operate power tools such as electric drills, soldering guns, etc. Control of the device is positive and delicate enough to permit handling and drinking a hot cup of coffee.

The proportional-control system is also being used to control complex manipulative devices that may restore a large degree of independence to patients by allowing them to voluntarily control their paralyzed arms.

Until recently, externally-powered orthotic arm braces with as many as seven joints—thus seven reversible motors—were controlled by simple on-off switches. Prior to the introduction of the NASA proportional-control devices, it was difficult to achieve smooth, accurate motion control with so many working joints.

Incorporated into the seven-degree-of-freedom externally-powered orthotic arm brace, the proportional-control system pro-

vides both velocity and force proportional control of the seven small direct-current motors. Now commercially available and in daily use at Rancho Los Amigos Hospital in California, the proportional-control system enables a totally paralyzed patient to perform tasks requiring considerable accuracy and dexterity. The control is "fine" enough to permit many routine tasks, self-feeding, drinking from a cup, turning pages, dialing a telephone and even writing legibly. Using a typewriter with a specially modified keyboard, one paralyzed patient is now able to type 22 words per minute.

Beyond enhancing the patient's ability to physically interact with their environments, the system also improves the psychological outlook for patients through the creation of greater self-sufficiency and the reduction of dependence on others.

**An Automated Paper Money Identifier for Blind People.** The NASA Biomedical Application Team at the Southwest Research Institute, in Texas has developed an automated money identifier for use by blind people. The system is based on technology originally developed by NASA to inspect microfilm records.

Using the device, a blind person can identify various paper money denominations by their sound "signatures". The system works this way: The bill to be inspected is passed under a light source. A phototransistor measures changes in the bill's light patterns. These changes are converted into sound signals by an oscillator. The sounds are like the beeping tones heard on long distance telephone calls. The key to the varying signals identifying different denominations is the variation in design of the different denominations. Thus, each denomination gives off its own easily identified sound.

The money identifier has been successfully tested at the Arkansas Enterprises for the Blind in Little Rock. About three hours of practice are required for a blind person to learn to use the new system. The paper money identifier is being manufactured by the Marachak Engineering Company and being marketed by the Applied Rehabilitation Systems. Both organizations are in Austin, Tex.

#### ENVIRONMENT

**Atmospheric Pollution Programs Using LIDAR and Balloons.** NASA Balloon and LIDAR (laser-radar) technology is being used to aid environmental analysis of atmospheric aerosols, in order to better understand the effects of man-made chemical pollution.

One project uses LIDAR techniques already applied successfully by NASA to study the clear air turbulence problem that is of major interest to aviation.

The LIDAR environmental study—sponsored by the California Air Resources Board—is aimed at obtaining information on the vertical distribution of aerosols near the ground. The overall objective of the project is to show the LIDAR's ability to gather information for air pollution research. Measurements by the LIDAR system will show spatial and temporal distribution of pollutant particles in the earth's mixing air layers, their effects on visibility, and the longitudinal variations of the aerosol formations. This project developed from discussions between NASA Langley Research Center specialists and the Rockwell International Science Center, contractor for the California Air Resources Board. The NASA Langley Research Center is also working with the Virginia State Air Pollution Control Board to study air quality, using the LIDAR at a site in Norfolk, Virginia. A compact LIDAR system is being developed to serve these projects and for use in further studies in Virginia, Texas and New York.

In a related program, with NASA support, the University of Wyoming is studying aerosols by using instrumented tethered balloons of the NASA Langley Research Center. This

project also uses Langley Research Center laboratory equipment such as the electron probe and a particle measurement computer. The instrumented balloon packages can measure different sizes of aerosols, temperature, pressure, ozone concentration, wind speed and direction, then telemeter all the information to a ground station simultaneously.

The overall purpose of this project is to measure the aerosols at various levels of the lower atmosphere and analyze the "residence" times of the aerosols at particular sites. This will provide information—crucial to pollution research—about movement and redistribution of these particles over the long term. Random sampling over urban and remote areas could provide data on how man-made pollution competes with natural aerosols. Local and regional studies will be conducted by the University of Wyoming during 1974 and a data-acquisition system tailored for the air pollution analysis mission will be delivered in 1974.

**Sewage Flowmeter.** Proper distribution of sewage flow is necessary to avoid back-up in the sewer system, with its associated health hazards, and to prevent overload of sewage treatment plants. Accurate information about actual sewage quantities is also mandatory in projecting sewage system needs in terms of urban development and growth.

The city of Dallas, Texas, has served as the site of tests on a newly developed sewage flowmeter based on a modification of a device originally designed at the NASA Electronics Research Center primarily for use as an air speed indicator for vertical and short-takeoff-and-landing aircraft. The Bowles Fluidics Corporation of Maryland developed the original hardware for the Electronics Research Center. The operation of the flowmeter is based on the measurement of a differential pressure output from two sensors in the pipe. This pressure difference increases and decreases with corresponding changes in sewage flow.

A prototype device was delivered to Dallas and promising tests have been performed. The Dallas authorities are now preparing to build a testbed to permit comparison of the aerospace-derived system with other systems. These tests are expected to be complete by the end of 1973.

The device under test offers a number of advantages. It has no moving parts. It is self-cleaning and rugged. It provides no obstruction to sewage flow and, in general, can operate unaffected by foreign bodies and corrosive conditions.

In anticipation of a successful outcome of the test program in Dallas, NASA has initiated a limited survey of potential users and manufacturers of the device. Market analysis suggests the device has potential for use in a wide variety of waste-management operations, with potential sales of some 4,000 units with a \$1000 sales price.

**Air Pollution Detection.** Technology developed for the detection of gaseous and other contaminants in space cabin atmospheres and NASA's miniaturization requirements are being applied to earthbound air pollution detection programs in cooperation with the Environmental Protection Agency and the Bureau of Mines.

For example, NASA and EPA are testing the utility of aerospace microwave spectrometry techniques to measure formaldehyde in auto exhausts and ambient air. Formaldehyde, a chemical that not only irritates eyes but also contributes to smog formation reactions, appears to increase in catalytic-converter-controlled auto emissions. Thus, while hydrocarbons and nitric oxides are reduced, a new emission problem is apparently created. Present manual or wet-chemical methods of measuring formaldehyde are cumbersome and time consuming. Working with NASA Langley Research Center and EPA, the Atomic Energy Commission's

Lawrence Radiation Laboratory in California has developed a microwave spectrometer that can detect formaldehyde in quantities as low as one part per million parts of air. Final delivery of the prototype instrument is planned for early 1974.

Also, NASA Ames Research Center, EPA, and Martin-Marietta have developed a prototype infrared detector, based on technology developed for atmospheric analysis, to determine the levels of nitric oxide in industrial and urban areas, as well as other pollutants such as carbon monoxide. The ultimate objective is to develop monitoring arrays for simultaneous or periodic checks of atmospheric pollution. A final report on the experimental system was submitted in October 1973.

Another air pollution project involves the design, fabrication, and evaluation of a field-ionization-mass spectrometer to detect specific pollutants across the broad pollution spectrum. The University of Missouri is developing prototype instrumentation which will be compared against standard contaminant detection equipment. Work on this project is proceeding under the monitorship of the Ames Research Center.

Also, using indium-oxide thin-film techniques originally developed to detect hydrogen leaks in spacecraft, the films show changes in electrical resistance on exposure to various gases. NASA Marshall Space Flight Center is developing adapted versions of these sensors to determine their sensitivity to methane and other hydrocarbon pollutants. Both EPA and the Bureau of Mines are interested in this effort to adapt General Electric-developed sensors for possible use in mines and in air pollution detection programs. Prototype units have been sent to the Bureau of Mines for testing as methane detectors in mines. Further work will lead to additional field-testing by the Bureau and by EPA.

**Recycling Valuable Nonferrous Metals From Discarded Autos.** The recycling of solid wastes is a formidable problem largely because of the low intrinsic value of the discarded material. Junk automobiles, however, represent high-value solid waste because of their high metals content. The 8 million cars discarded annually contain about 650,000 tons of nonferrous metals which are not being fully recovered and recycled for lack of an efficient process. The potential worth of the discarded nonferrous metals ranges from \$6 to \$11 per car, depending on the current market price of the metals. A cost effective system of reclaiming nonferrous materials would greatly stimulate the removal of junk cars from the national scene. It will also be an aid in the recovery of valuable national resources.

Using newly developed techniques based on the properties of magnetically responsive fluids (known as ferrofluids), NASA supported the development of a prototype device for separating previously wasted nonferrous metals from scrap materials in a commercially feasible reclamation and recycling operation.

The newly-developed method involves a technique called sink-float separation which is based on the phenomenon that nonferrous materials less dense than the ferrofluid will float while materials more dense will sink. Therefore, to separate any two materials of different density, it is only necessary to adjust the ferrofluid to a density between the two metals so that one will float and the other will sink as it passes through the ferrofluid pool on a conveyor belt.

Ferrofluids are very stable suspensions of single-domain magnetic particles. A pool of ferrofluid in the gap of a regulated electromagnet becomes a liquid whose apparent density can be continuously varied over the total range of known densities by controlling the magnetic field. Thus, in a given ferrofluid, solid objects of densities that differ by

10% can be made to selectively float or sink by varying a magnetic field.

The only moving parts of the system are the conveyors which carry the mixed metals into the pool and the separated metals out of the pool. Mixtures of three or more non-ferrous metals can be separated, one at a time, by multiple passes through the ferrofluid pool with the magnet adjusted each time so that only one metal floats (or sinks) per pass.

Under contract to NASA Langley Research Center, AVCO Corporation of Massachusetts has designed, built and tested the prototype sink-float ferrofluid nonferrous metal separator. Based upon the separation test data obtained during the experimental phase of the program, as well as the successful recycling of ferrofluid recovered from scrap, the recovery of nonferrous metals from automobile scrap promises to be a cost effective way to reclaim such material. It is possible to recover a high yield of aluminum, copper and zinc alloys from mixed, shredded automobile scrap.

AVCO is currently pursuing opportunities for demonstrating the economic viability of the process, including the use of ferrofluids as a replacement for heavy media now used in many waste recycling systems.

#### HOUSING AND URBAN CONSTRUCTION

**Lead Paint Detector.** There is rising concern over the health hazards, particularly to children, or residual lead paints that were heavily used for interior decoration of urban housing and other buildings in the decades before World War II. In many older buildings, layers of lead-bearing paints underlie surface coatings applied at a later date. Under such conditions, there is a real danger to children who might eat flakes of paint containing lead, and while adults are not so directly threatened, the lead can also enter their systems.

Faced with this lead menace, the Department of Housing and Urban Development has identified a critical need for a reliable, low-cost, portable lead detector to measure lead content of painted surfaces. Most currently-used devices—X-ray based fluorescence analyzers—are not only relatively expensive, they also are not sensitive enough to detect lead-based paint on surfaces that have been overlaid with later coatings of non-lead-based paint.

An alpha-particle detection system that was used on the lunar Surveyor mission to analyze the chemical composition of the moon's surface is being adapted to meet the lead-detection problem.

The instrumentation, which was developed for NASA by the University of Chicago, is based on the principle of back-scattering, from the surface, of alpha particles emitted by a radioactive source. The instrument will be portable. It will be designed to detect lead on painted surfaces to a level of 0.5 percent; and it will be low-cost.

This effort to adapt space technology to an important urban-health-and-safety requirement is funded by the Department of Housing and Urban Development. Development prototypes are scheduled to be available for testing by mid-1974.

**Flat Conductor Cable for Home Wiring.** The installation of electrical systems in new and renovated buildings is becoming increasingly more expensive. By reducing these costs, flat conductor cable technology adapted from aerospace uses is being considered as a practical solution. Flat conductor cable has been extensively used in aircraft and spacecraft electrical systems, but requires new components for terminating, interconnecting and otherwise adapting flat conductor cable for use in mass-housing construction.

NASA's Marshall Space Flight Center (MSFC) in cooperation with the New York

State Urban Development Corporation—is applying this experience in a project aimed at bringing about a revision of electrical standards permitting the building industry to use the flat conductor cable concept.

The conceptual design as well as some prototype hardware development are being undertaken at MSFC. Also, there are industrial efforts to develop surface-mounted wiring systems—including terminating and interconnecting hardware for installation in full-scale models of New York State Urban Development Corporation modular units under the direction of MSFC engineers.

The installation of a flat conductor cable system in several Urban Development Corporation mass-housing dwellings is now scheduled for mid-1974 on a test basis.

#### SAFETY

**Improved Short-Range Radio Communication for Firefighters.** An aerospace integrated-circuit design that replaces inductances in radio frequency circuits with various combinations of transistors, resistors and capacitors is being investigated for its potential utility in the design of low-cost improved short-range communications equipment for firefighters. The ultimate aim of this project, underway at Public Technology, Inc. is to develop an inexpensive portable radio uniquely suited for firefighters.

The project had its beginnings in the Public Technology, Inc. consultations with firefighters who indicated an urgent need for improved short-range communication equipment for use at the scene of fires. Communication is both vital and difficult at a fire scene because of the heat, noise, and poor visibility which together hinder crucial voice communication.

Although there is commercial radio equipment currently available, it is both expensive and unwieldy. While there are some small portable items available, they tend to be unequal to the severe conditions at fire scenes.

Under NASA sponsorship, Public Technology, Inc. and firefighters in 1973 developed a set of specifications for the kind of equipment that would meet the difficult requirements of firefighters.

Under development is a piece of equipment that would have the following characteristics: unit price less than \$300 and, if possible, less than \$200; ability to transmit and receive voice through masonry, brick, reinforced concrete, and particularly urban structures; transmission range of 1500 feet; lightweight and small enough to be carried in firemen's protective gear; optional accessories permitting the equipment to be used while wearing gloves, breathing masks and other special equipment; rugged construction that would permit use in extremely hostile conditions (noise, smoke, water spray, humidity, high temperature, shock and vibration); low failure rate, easy maintenance and repair; usability with chargeable or non-chargeable batteries.

A search of NASA technical literature by PTI, and contact with various NASA centers, turned up an applicable technology—unconventional circuit design patented at the Goddard Space Flight Center.

This approach has several advantages: reduction of circuit size, the improvement of electrical performance, lower cost of circuitry, smaller package design that increases durability and makes the equipment unit more compatible with firefighter's clothing, and better maintainability.

Currently, under NASA direction, Public Technology, Inc. is soliciting proposals from contractors to design and develop engineering prototypes of the improved firefighters' portable radio unit.

**Aerospace Fire Retardant Materials Tests.** NASA and the Battelle Columbus Laboratories in Ohio have conducted a series of in-

strumented fire tests designed to compare aerospace-derived fire retardant materials with conventional materials used in dwellings and institutions. The project involved the cooperation of the National Fire Protection Association, the Department of Housing and Urban Development, the National Bureau of Standards, the American Society for Testing Materials and the Canadian National Research Council. The Columbus, Ohio, Fire Department supplied sites, fire extinguishing services, and other assistance.

Preliminary results of the test fires indicate that space-developed materials used in furnishings are significantly more fire retardant than conventional materials.

The purpose of the tests was to analyze the fire-resistant and fire-retardant properties of space-developed materials under both burning and smoldering conditions, and to evaluate the potential fire safety advantages of the materials for use in furnishings for public buildings and homes.

The fire tests took place in late 1972 in four prefabricated rooms assembled in the fire training building of the Columbus Fire Department. Materials studied in the program included those used in mattress covers, padding, and cores; box spring covers, padding, and frames; bedstead frames, bedspreads, sheets, pillows, pillows cases, and blankets; tables, lamps, and shades; upholstered chairs; chests of drawers; bookcases; carpeting and floor pads; wall and ceiling coverings; drapes; and doors.

One of the test rooms contained materials and furnishings in common use. Another contained selected fire-retardant materials and furnishings that are among the best available commercially. A third was furnished with space-developed materials and items constructed from such materials. The fourth room contained a bed constructed of NASA-developed materials, along with commercially available furnishings.

Each room was instrumented to monitor smoke density, ventilation rates, heat movement, and important chemical aspects of fire-room atmosphere.

Investigators were concerned with evaluating human survivability, based on three primary factors: (1) the rate of fire development, (2) the rate of accumulation of smoke as a factor in obscuring escape-route visibility, and (3) the extent and rate of buildup of toxic gases.

The four rooms and their furnishings were burned one week apart. In each instance, investigators touched off the blaze by igniting a pound of newspapers in a wastebasket. Another three pounds of newspapers were spread casually on the bed and a chair in one corner. Once the room was engulfed in flames, Columbus firefighters extinguished the blaze.

The preliminary results showed:

Room 1 (typical materials and furnishings in common use)—The room itself was totally involved in flames in four minutes. The fire was put out in eight minutes. Visibility due to smoke was poor after one minute.

Room 2 (selected materials and furnishings among the best available commercially)—The rate of fire development was slower, with total room involvement occurring in 16 minutes. The fire was put out after 29 minutes. There was a considerable amount of smoke and visibility was poor after three minutes.

Room 3 (space-developed materials)—The starter fire burned itself out without spreading to nearby furnishings. Visibility was good. This room subsequently burned, however, when a much larger starter fire was ignited. Used in the second starter fire were newspapers and 2x4's piled on the floor. This time, the flames were confined for several minutes to the area of the starter fire before gradually spreading to the "chair corner." After 27 minutes, a larger fire flared up in the corner and the flames spread throughout the room. The fire was extinguished after 33 minutes.

Room 4 (bed constructed of space-developed materials, along with commercially available furnishings of the same type as used in Room 1)—The rate of fire buildup was slow and the fire was confined to one corner which was totally consumed. The fire did not spread, however, and the bed and bookcase which were nearby were only slightly damaged by heat. Again, there was no total room involvement, primarily because of the fire-resistant qualities of the space-developed materials bed. The fire developed to a high intensity in 24 minutes and consumed the chair and night-stand in the corner, but the rest of the furnishings were not badly damaged. After approximately one hour, the fire was put out. Visibility was poor after about two-and-a-half minutes.

Improved Firefighter's Breathing Apparatus. NASA's attention to the problem of developing a new type of Firefighter's Breathing Apparatus originated in the strongly expressed need of municipal fire departments for improvements in such devices. Because conventional devices tend to restrict the firefighter's mobility and vision, many firefighters neglected to use a breathing apparatus. This has led to a discouraging rate of smoke-inhalation injuries.

In cooperation with the National Bureau of Standards Fire Technology Division and Public Technology, Incorporated, NASA initiated an effort in the spring of 1971 to develop improved equipment. PTI polled cities on their needs, and then organized a User Requirements Committee. The User Requirements Committee includes fire chiefs, city managers and a representative of the NBS Fire Services Program. In addition, fire service organizations such as the National Fire Protection Association, the International Association of Firefighters, and the International Association of Fire Chiefs have periodically reviewed the program.

At the first committee meeting, held at Johnson Spacecraft Center in June 1971, principal problems of currently used systems were further identified. The main deficiencies were: insufficient duration of air supply, excess weight and size, protrusions and lack of an adequate air-depletion alarm. In response, NASA funded a program to apply its background and expertise in life-support systems to the task of developing a more efficient breathing apparatus, while remaining within the cost constraints.

Following an extensive engineering analysis to determine an optimum system concept, JSC engineers suggested an open-circuit demand system utilizing a lightweight (4000 psig) pressure vessel would bring about a 30 per cent reduction in system weight.

Other suggestions included making the system more compact and changing the shoulder mounting of the device to a more comfortable hip position, as well as the design of an air-depletion warning system. Other suggested changes included an improved donning and doffing capability, an improved helmet, and improved system and component performance. The User Requirements Committee agreed that such a development program was desirable. They also agreed that the use of higher pressure air would not be a serious constraint on fire service use.

A second User Requirements Committee meeting was held in October 1971 to review NASA developments on the pressure vessel and the balance of the system. After evaluation of alternative materials, NASA specialists selected filament-wound fiberglass as the most promising material. Because of differing municipal requirements, NASA decided to procure two lightweight pressure vessels—one for a longer duration than is now commonly used and one for a slightly shorter duration. Contracts were awarded to two manufacturers in early 1972, with delivery planned for mid-1973.

A contract for the balance of the breathing apparatus system (facemask, harness, and support frame depletion warning device, valves and regulators) was awarded to Scott Aviation of New York in October 1972. The last of twenty prototype units were delivered to NASA in December 1973. After extensive testing by NASA, the equipment will be released for field tests by fire departments in three cities in the Spring of 1974.

The User Requirements Committee has met periodically at the Johnson Spacecraft Center to review program progress. The most recent meeting was in November 1973 to assist in planning the field test program.

An important part of the NASA effort has involved working with the appropriate regulatory agencies during development of the new systems. Both NIOSH (National Institute of Occupational Safety and Health) and DOT have reviewed the development program and required tests are being performed. Prior to the field test program, appropriate approvals will be received from the two agencies.

An air compressor station with a higher supply pressure than is now commonly used will be required to charge the new breathing apparatus. NASA has purchased such a high-pressure system for use in testing the breathing apparatus. A similar specification could be used by city fire departments in purchasing higher-pressure compressor stations.

Early-Warning Fire Detection Device. The key to fire safety in terms of lifesaving and prevention of property loss is early detection. This is especially true for residential properties and mass housing. To prevent the enormous losses resulting from residential fires, the Department of Housing and Urban Development plans to propose minimum property standards in the near future. These standards will require the smoke detectors be installed in all houses and apartment buildings within a year after the issuance of the Department's standards.

At present the only early-warning devices on the market are relatively expensive and in many cases tend to set off an excessive number of false alarms.

A space-derived technology originally developed by McDonnell Douglas to detect the presence of particulates aboard the Mars-Voyager Spacecraft is being studied for adaptation to earth-bound fire detection. The technology involves the use of a polymeric material known as polyphenylacetylene which has electrical properties that change as the material absorbs gases or particulates.

The polymer technology is the core of a project to develop a small, low-cost, reliable early-warning device for use primarily in residential units. At the outset, the project will involve the synthesis and characterization of polymer materials similar to the material used on the Mars-Voyager particulate detection device. The material will be coated on solid-base field-effect-transistors. These, in turn, will be used to detect changes in electrical properties of the polymeric film as the film absorbs selected gases. The prototype device will be designed to include an alarm that will be actuated when threshold changes in the electrical properties of the polymeric film are reached.

The project is jointly funded by NASA and the Department of Housing and Urban Development; and work is under way at McDonnell Douglas and the Massachusetts Institute of Technology under the technical direction of NASA's Lewis Research Center.

Several prototype smoke detectors based on this aerospace technology are expected to be available for testing by early Fall of 1974.

Mr. TEAGUE. Mr. Chairman, I move to strike the requisite number of words. I would like to say to the gentleman from Illinois that our committee has made a very complete study of this. The

documents which are available describe many, many things that will be done, and I will see that the gentleman gets them.

Mr. YATES. I thank the gentleman. I would very much appreciate that.

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

NATIONAL SCIENCE FOUNDATION SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881), including award of graduate fellowships; services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed \$5,000 for official reception and representation expenses; not to exceed \$35,900,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; \$666,800,000: *Provided*, That of the foregoing total amount, not less than \$13,200,000 shall be used only for Graduate Student Support; not less than \$68,900,000 shall be used only for Science Education Improvement; not less than \$8,00,000 shall be used only for Institutional Improvement for Science; and not more than \$40,000,000 shall be available for Research Applied to National Needs: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers may be credited to this appropriation: *Provided further*, That if an institution of higher education receiving funds hereunder determines after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has, after the date of enactment of this Act, willfully refused to obey a lawful regulation or order of such institution and that such refusal was of a serious nature and contributed to the disruption of the administration of such institution, then the institution shall deny any further payment to, or for the benefit of, such individual.

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I make a point of order to the language appearing on page 14 of the bill, and to be found on lines 11 and 12, which reads, "not to exceed \$5,000 for official reception and representation expenses," which expenses are not authorized by law.

Mr. BOLAND. Mr. Chairman, we concede the point of order.

The CHAIRMAN (Mr. O'HARA). The gentleman from Massachusetts (Mr. BOLAND) concedes the point of order, and the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and expenses of the National Selective Service Appeal Board; and not to exceed \$1,000 for official reception and representation ex-

penses; \$46,463,000: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3879 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further*, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

AMENDMENT OFFERED BY MR. TIERNAN

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

The Clerk read as follows:

Amendment offered by Mr. TIERNAN: Title II, page 16, line 20. Strike out "\$46,463,000" and insert in lieu thereof "\$28,000,000"

Mr. TIERNAN. Mr. Chairman, this is a very simple amendment, one which I offered last year to reduce the funding of the Selective Service System to \$28 million.

With the advent of the All-Volunteer Armed Forces there is no logical reason to maintain a \$46.4 million standby draft system to simply register and classify young Americans. Historical precedence and fiscal responsibility both argue against the continued funding of the system at this high level. It should be made clear from the first that the Selective Service System intends to maintain itself at this proposed funding level in the future.

According to Mr. Byron V. Pepitone, Director of the Selective Service System, the system is "bottoming out in fiscal year 1975" with regard to the number of employees. In testimony before the Appropriations Committee Mr. Pepitone stated that—

To reduce these numbers, and to attempt to retain the same type of system beyond fiscal 1975 is not a feasible course of action for us.

Since \$37 million of the proposed \$46 million will be used for personnel expenses, we can expect that the Selective Service System will be making future budgetary requests in the range of \$40 to \$50 million. Do we need a \$40 to \$50 million system when all available evidence points away from the need to maintain a standby draft system?

If we examine past national emergency situations it is explicitly clear that the time required to implement a draft is essentially the same with or without a standby draft system in operation. At the beginning of the Korean War, in 1950, we did have a standby draft system which was registering, classifying, and examining young men. After enactment of the draft authority, it took 67 days for inductions to begin. In 1940, when there was no standby draft, only 63 days after enactment of draft legislation elapsed before inductions began.

So, what is the justification for maintaining this multimillion dollar system? It cannot be national security, because historical precedence shows that the continuation of the standby draft system does not speed up the induction of men into the Armed Forces in time of national emergency. It certainly is not the necessity of maintaining a manpower pool to supplement the 2.1 million active duty military personnel, because the

United States has an additional force of 2 million ready Reservists, 532,000 standby Reservists, and 20,000 retired Reservists. These forces would be more than adequate to meet any national emergency, with the possible exception of a long, protracted ground war. However, according to military experts there is little likelihood that the United States will become involved in such a conflict. Maj. Gen. Leroy Anderson, a former member of the House Armed Services Committee, has stated that—

The only condition under which this country is likely to need draftees again would be if it became involved in a lengthy, large scale, conventional ground war. Every indicator suggests the probability of this happening to be extremely remote.

In addition, the All-Volunteer Armed Forces has successfully been operating for an entire year. According to Secretary of Defense, James R. Schlesinger, the Army, Navy, and Air Force will have nearly met their fully authorized manpower levels for fiscal year 1974, the first full fiscal year operation of the all-volunteer system, by the end of this month. I cite the following Washington Post article, June 24, 1974, entitled "Volunteer Army Seems To Be Working," which outlines the success of the All-Volunteer Force.

In view of these facts, I think it appropriate that we reduce the base-line operating level to \$28 million, a figure \$1 million more than the minimum amount needed to operate the Selective Service System according to Director Pepitone. We should not continue to overfund a system which was meant to operate at the minimum level possible.

The article follows:

[From the Washington Post, June 24, 1974]

VOLUNTEER ARMY SEEMS TO BE WORKING

(By Michael Getler)

After a year without a military draft, and despite the continuing skepticism of many observers, the Pentagon's efforts to fill the ranks of the armed forces with volunteers seem to be working.

By the end of this month, according to Defense Secretary James R. Schlesinger, the Army, Navy and Air Force will have just about reached their fully authorized strength for this first full fiscal year since the draft formally expired July 1, 1973.

The Army's success, in particular, this first year has come as a pleasant surprise to Pentagon and Army officials. It has also had a cascading effect, reducing the pessimism among at least some senior officers while increasing the enthusiasm of those pushing hardest for its success, especially Army Secretary Howard (Bo) Callaway.

But aside from the question of being able to fill the ranks, the more philosophical questions about what kind of an Army the United States will have without the draft remain to be answered.

How well will an Army of well-paid enlistees recruited in "peacetime" perform in combat? Will it be too much an Army of disadvantaged youth with too many poor, too many blacks and other minorities, too rural and too heavily from the South? Will it have the proper skills for a modern military machine?

Even when it comes only to numbers, congressional skeptics are now turning their attention for the first time to two other factors.

Beginning around 1980, the effects of a declining birth rate in the 1960s will reduce the manpower pool of available 17 to 22-year-

olds. By 1987, that group will be 12 per cent below present levels.

At the same time, if the upward trend of young people going to college continues, that too will further diminish the pool of available youth from which the military already must attract roughly one out of three to meet its needs.

The Senate Armed Services Committee has already asked Schlesinger for an analysis of these trends by December.

Reflecting concern that the Army could become grossly unrepresentative of U.S. society as a whole, the committee also wants data from Schlesinger on the geographic, economic and racial distribution of recruits.

In the House, the chairman of the Armed Services Committee, Rep. F. Edward Hébert (D-La.), says he has nothing but praise for Callaway's efforts with the Army and for his crackdown on "permissiveness." Nevertheless, Hébert, in an interview, predicted that "the draft will be back within four years."

But for the time being at least, and barring a major military crisis, the draft is nowhere in sight. There is in fact a growing acknowledgement among some but not all of the critics that the military can attract enough new recruits and keep enough veterans to maintain a 2.1 million force of men and women at least in the near future.

The turnaround in the Army's all-volunteer fortunes has come suddenly.

Predictions earlier this year of a 20,000- to 30,000-man shortage in the Army have all but evaporated. In part, the service was helped by a congressionally ordered cut of 43,000 men from all services, of which the Army was assigned 10,000.

But the remaining shortages have been all but wiped out, according to Assistant Secretary of Defense William Brehm, by a "remarkable" increase in reenlistment rates, by a May drive for new recruits that hit 104 per cent of its goal and by heavy June recruiting which is expected to push the Army to its full 782,000-man authorized strength.

In April, re-enlistment rates of first-term soldiers hit 48 per cent, double the January figure. Re-enlistment by second termers and careerists, always high, is going higher and will exceed 70 per cent this year, Brehm estimates.

The Army clearly was in trouble earlier, having hit its recruitment goal in only one of the first 10 months, though it generally came close.

The number of Army recruiters around the country had been allowed to drop 20 per cent below the authorized level last summer and fall both critical times for getting new volunteers. The situation has prompted some to suspect that the Army itself was trying to sabotage the all-volunteer plan. Brehm—the Pentagon's top manpower expert—rejects that theory but says he can't explain why the service let that happen.

The Air Force is in the best shape, fully meeting its 645,000-man strength, getting more recruits than it needs, and maintaining a high level of technical skills (92 per cent high school graduates) among the new enlistees.

The Navy is also meeting its new recruitment goals but may wind up as much as 4,000 men short of its 551,000-man strength because of what has been described as an "accounting" error that failed to show about 8,800 sailors who left the service early in the year.

The Marine Corps is the only service still clearly below strength, with an estimated 6,000 fewer Marines than the planned 196,000.

Here, too, the Congress has helped by erasing former restrictions requiring that at least 55 per cent of the new recruits be high school graduates. The Marines, in particular, were having trouble with that requirement.

It has actually been 18 months—since late in December, 1972—that the last man was drafted into the Army. But it was not until six months later, on July 1, 1973, that Congress actually allowed the President's draft authority to expire. This more formally removed the threat of the draft and ushered in the first year of real test for the all-volunteer force.

While getting through the first year in good shape represents a victory for the Pentagon, defense officials point out that the next 12 months will be an even tougher test.

Because there are still some 400,000 to 500,000 draftees serving out their time in the Army, next fiscal year the services will have to recruit about that many more people above the 422,000 that they barely made this year.

Brehm is optimistic that the goal can be met, though there is still some doubt about the Marines.

Aside from a more well-oiled recruiting program for the Army—which has always been the only really draft-dependent service and thus the major test of the all-volunteer concept—Brehm believes the end of the war, higher pay scales, and the generally rising post-Vietnam stock of the military in the public's eyes will help keep the levels up.

Skeptics add to the list the roughly 15 per cent unemployment rate among the nation's youth. Brehm concedes this is probably a factor but notes that the job market is no worse now than it was a year ago and that the Army got 43 per cent more enlistments between January and June this year (70,730 recruits) than it did in the same five months last year.

Beyond Fiscal 1975, he believes the job will get easier and the benefits of volunteerism will set in; the most significant factor being the longer terms service men are now putting in. This will reduce turnover, mean fewer new men are needed each year and shrink the number needed to run the training bases.

In comparison to 1971, Brehm says the average length of initial service for the Army man is up by 21 per cent because of the longer three- and four-year enlistments of the volunteer arrangement. The increase in the Army's combat arms—armor, infantry and artillery—is up 45 per cent though the service is still falling short by about 12 per cent in getting men to sign up for these branches, even with up to \$2,500 in bonuses.

To fill the numbers gap in the combat arms, men who signed up with no specific preference are assigned to combat units.

Both Brehm and Schlesinger strongly dispute the occasional reference to the all-volunteer army as a "mercenary" force—filled with new people who came in for the money—which might not fight well.

"Maybe some guys come in for the wrong reasons," says Brehm, "but I just don't think people are that different. The proposition that an all-volunteer force is less motivated to engage in combat than a drafted Army or draft-induced Marine Corps filled with people who didn't want to be there in the first place, that proposition is just very difficult to defend."

Schlesinger, too, says the mercenary image is unfair and that people who use it contrast the new volunteers with an "idealized society" that doesn't exist now in the United States where all or many young men are eager to serve.

Hébert, however, is not convinced of this. He and other critics contend that so many things about the all-volunteer Army happen so slowly, in terms of its makeup and motivation, that no one will really know how it will perform until it has to.

Hébert calls the trend to a mercenary outfit "the little acorn that we don't know won't grow into a big oak." He worries about

the stability of future armies if governments here are weak, and he is also worried about the cost.

He also says he is concerned about plans that he estimates could cost \$165 million for transportation of dependents of new recruits as another measure to make service life more attractive.

For a while, the Army system of paying bonuses for combat arms was causing an AWOL rate of about 5 per cent among these "bonus babies," which was 1.6 times higher than the non-bonus recruits. Typically, a man would complete training, get his bonus, buy a car and take off. Now, this has been cut to less than 1 percent of the bonus-takers, the Army says, by limiting the big \$2,500 bonus to high school graduates—who normally are less of a discipline problem—and the three top mental categories of recruits as measured by service tests.

AWOL and desertion rates for the Army are down 19 and 25 per cent respectively since last year, Brehm says.

Though the Army doesn't like to say it, the service since last September has basically adopted a system of letting new recruits try the Army and get out if they can't make it.

During the 180-day training program, which the Army has toughened up—roughly 17 per cent of the new recruits either leave or are dropped. The drop outs are taken into consideration when setting recruitment goals and Brehm believes the result is a better group of soldiers who stick with it.

But the age of the average new recruit is dropping rapidly, another new phenomenon of the all-volunteer force that Brehm concedes requires a lot of skill to handle. In contrast to just a few years ago, the average recruit is now just over 18 in comparison to over 20 when the draft was in force.

The younger recruits are less mature, and more likely to become discipline problems. "You've got to do some hand-holding, to help them get through" basic training, Brehm says.

The measurement of the "quality" of an Army is a matter of considerable dispute. Since the draft ended, there are no more college graduates coming into the enlisted ranks.

To the critics, Brehm points out that 90 per cent of all new recruits now are in the top three of the four mental categories acceptable, in comparison to 85 per cent in 1964.

#### CORRECTION

Because of a typographical error, a story in yesterday's Washington Post incorrectly reported that 400,000 to 500,000 draftees remain in the U.S. Army.

The correct number is 40,000 to 50,000.

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

I reluctantly do so, Mr. Chairman, because this amendment is offered by a close friend and a very valuable and distinguished member of the subcommittee.

In effect, what this amendment would do would be to establish the Selective Service System just as a recordkeeping system. As the gentleman from Rhode Island indicated, it would provide just a skeleton crew to accomplish that purpose.

In 1973 the budget for the Selective Service System was \$83.5 million; the 1974 appropriations total \$53.7 million; and recommended in this bill is \$46.4 million. Some \$6 million of that is the request for the GSA space rental cost. If you exclude those GSA space rental costs from this, then the budget is \$40 million.

I know that the gentleman made some very persuasive and potent arguments with respect to the All-Volunteer Army. All of us hope that it will succeed. I am

sure most Members of Congress and most of those who are sitting here today voted for the all-volunteer concept. It is still a bit unproven, although we are getting there. From February 1, 1973, to January 1, 1974, the Army had a goal of 148,000 men and it fell 18 percent short. Only 122,347 signed up. Since that time the 20,000- or 30,000-man gap in the Army has been closed. It is important to note that it was partially helped by a congressionally ordered cut of 10,000 in the recruiting goal.

As was said here and as was said last year when the amendment was offered to reduce the Selective Service System to a skeleton force—the argument was made that the entire draft process historically has been or can be accomplished just as quickly without a standby system. I submit that there is really no way to prove this argument. Perhaps it may not be worth taking a chance to find out. Past emergencies requiring a national draft are not necessarily analogous to the potential emergency which may occur in 1980 or 1985 or even next year. Each emergency is influenced by a set of circumstances which is unique to that period of time. No experience with conscription is automatically interchangeable with another.

However, I think most importantly, Mr. Chairman, I would point to section 10(h) of the Military Selective Service Act passed in 1973 and for which I presume most of the committee members sitting on the floor here voted. That act calls for a complete registration and classification structure capable of immediate operation in the event of a national emergency. The indication was that there would be an active standby organization.

The effect of the amendment offered by the gentleman from Rhode Island would be to destroy an effective standby organization. As he admits and as I agree, it would produce a skeleton organization.

I think really if we are going to get away from an active standby Selective Service System I think it ought to be done through the legislative process rather than by reducing funds which ultimately phase the organization out.

On that basis, Mr. Chairman, I suggest that the members of the committee ought to vote the amendment down.

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

Mr. BOLAND. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Mr. Chairman, as the gentleman knows, there is no authorization in the legislation today, it merely says there shall be a standby Selective Service in case of an emergency. And the Director of the Service himself, in part 1 of the hearings on the bottom of page 5, and going on to page 6, indicates that there was under supervision a total of 850 National Guard and Reserve officers not on active duty who play an essential role both in the standby structure and as an immediate augmentation force for future emergencies.

They also provide a correspondence

course training program for Reserve and National Guard officers, and are continuing this program.

I suggest to the chairman, the gentleman from Massachusetts (Mr. BOLAND) and to the other Members of the House that it seems to me we ought to start throwing funds out of the budget when we clearly have indicated that we do not need those agencies.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. TIERNAN, and by unanimous consent, Mr. BOLAND was allowed to proceed for 2 additional minutes.)

Mr. TIERNAN. So I think it is our responsibility to indicate clearly to those, and to this agency in particular, that they have to make a better effort to cut back on the expenses they are using in their operation.

I want to point out to the gentleman from Massachusetts that last year Mr. Pepitone, the Director of the Selective Service System, set as his target 950 sites, to be reached by June of this year, 1974. In the testimony before our committee as of February, he said that they had already reached that, they had cut back to 900 sites.

So that I think our exchange on the House floor and our questioning of Mr. Pepitone certainly did have some results far beyond what they were targeting at the time they appeared before our committee.

As the gentleman knows, the reduction in personnel has brought the number down to 3,800, and they were talking about a target of 4,200 at the end of this fiscal year.

So I think again, Mr. Chairman, that I should suggest and point out that they have many personnel within their military reserve units available to them, and in the Pentagon they have a setup, as they have had in the past when we did not have any standby authority, and as soon as the law was passed, those people came forward and make up the bulk of the selective service system.

Mr. BOLAND. I might say to the gentleman from Rhode Island that the number of sites has been reduced to 650, I believe it is, in the bill this year.

Mr. TIERNAN. That is for 1975.

Mr. BOLAND. That is correct.

Mr. TIERNAN. But I am saying last year, when we had Mr. Pepitone before us, he said their target was 950 sites at the end of this month, but we know they have already gone beyond that, they are down to 900 sites. So, as I say, our exchange last year had a very good effect. So I think we can accept this amendment and believe that we can continue to meet our requirements in the law. The amendment merely requires that there be a standby system, and we can have a standby system with \$28 million.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I rise in opposition to the amendment which has been offered

by our friend, the gentleman from Rhode Island (Mr. TIERNAN).

I do not think that this is the time to accept the amendment which has been offered. I strongly support the position taken by the chairman of the subcommittee, the gentleman from Massachusetts (Mr. BOLAND).

I hope the House will vote down the amendment.

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

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Rhode Island (Mr. TIERNAN) to reduce the funding for the Selective Service to \$28 million.

An appropriation of \$46,463,000 is requested for the Selective Service in the bill we are considering this afternoon. This represents a minuscule \$7 million reduction from the 1974 appropriation, with this entire reduction based on a lower GSA rental charge for the Selective Service.

We are all aware that by law, young men reaching the age of 18 are required to register with the Selective Service and the Service in turn is required to maintain all records. According to figures issued during the hearings on the Selective Service budget, the total work force for the Service has been cut by more than half, from a figure of 6,241 as of June 1973, to an estimated 3,177 for 1974, and a further reduction to 2,869 as of June 1975.

The question then becomes, in light of the reduced personnel and the subsequent closing of certain offices to compensate for this reduction, how can we justify expending virtually the same amount of money as last year? Certainly, with the drastic reduction in personnel should come a reduction in overall costs, but this is nowhere to be found in the budget request.

In addition, by all accounts, including a long, detailed report in Monday's Washington Post, the volunteer Army, which assumed many of the former duties of the Selective Service, is meeting everyone's expectations and is likely to reach full strength by July.

It appears to me that it is this Congress responsibility to trim some of the obvious fat from this appropriation request. The figure of \$28 million contained in this amendment is more than adequate to cover the greatly reduced needs of the selective service.

I feel this amendment is in the interest of sound economy and fiscal responsibility, and I urge its passage this afternoon.

Mr. Chairman, the incongruous position we find ourselves in with this proposal in the appropriations bill this afternoon is that we are requesting authority and funds for a standby mechanism. We have that standby mechanism. We can have an effective one within \$28 million with the passage of this amendment. Why do we have it when we in fact cannot draft a single person unless the Congress authorizes the President to take action? If that emergency or contingency arises, it would seem to me that

if the Congress in its judgment determines that the Selective Service should become effective once again, and that the draft should be imposed, then at that instance the Congress acting in a responsible fashion will respond and provide additional and appropriate moneys for the additional purposes.

But at this point the appropriation is only going to serve as the perpetuation of an organization that has no real function, except, perhaps, to maintain and to register the individuals.

The amendment introduced by the gentleman from Rhode Island is a responsible amendment. It is logical, and it does not do great injury. It does not do any injury to the proposal of the standby mechanism which the country may well need.

Mr. TALCOTT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I just want to concur with the chairman of our Committee on Appropriations and the chairman of the subcommittee in opposing this amendment. The reduction to \$28 million does not reduce it; it really kills the Selective Service System, which should not be killed by the Committee on Appropriations. If it is going to be killed or phased-out in this manner, it should be done by the Committee on Armed Services. This committee has determined it is essential. It is essential because the Volunteer Army has not been fully proved out yet. The jury is still out on the all-volunteer service. We are required by law to register young men who are 18. This agency, I think, has complied more with the wishes of the Congress than has any other. They have taken enormous cuts in the last few years. They probably have more volunteers working for this agency than any other agency.

It is essential to our national security. I think that we should not cut it at all, and certainly \$28 million would simply kill the Selective Service System. This is the wrong time and place to do it.

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

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

Mr. KETCHUM. I thank the gentleman for yielding.

I wonder if my good friend, the gentleman from California, could tell me how many 18-year-olds were we registering?

Mr. TALCOTT. We register all 18-year-olds.

Mr. KETCHUM. I am trying to put that into perspective as to how many there will be a year and how much it would cost for each individual, because we have \$46 million.

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

Mr. TALCOTT. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, as far as the number registered, there were 1,994,500 in 1974, and in 1975 there will be 2,024,800.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. TALCOTT. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I rise in opposition to this amendment also. I do this as one who, if an emergency arose, would be subject to a draft.

Mr. Chairman, can we afford the time to start anew the Selective Service System if there is a need to mobilize in the future? I believe not.

Historically it has been proved that if there is no continuation of Selective Service processing, reaction time may preclude meeting the needs of the Armed Forces when the need for manpower comes.

Twice since World War II the Selective Service System has been placed in a standby posture during which time no young men were inducted. The experience in both of these periods is significant as we weigh the authorization of a budget for the continuation of a reasonably active structure in a standby status for the Selective Service System.

During the period from March 1947 to July 1948, the Selective Service System was a small residual element called the Office of Selective Service Records, which was utilized mainly for the maintenance of records. No men were being registered, classified, or examined. There was no organizational structure capable of performing these actions. The reinstitution of the Selective Service System came from an appeal to the ranks of the former World War II organization. Even with the benefit of these personnel, only 20,000 men were inducted in a 6-month period against a call for 25,000. This was the result of the inability of the System to induct more than that number in the time period due to startup problems.

Compare this to the other period in which the Selective Service System maintained a standby structure. This was immediately prior to July 1, 1950. No men had been inducted after January 1949. The full machinery—national headquarters, State headquarters, local boards and appeal boards—were operational except for inductions. Within a period of 6 months following the start of inductions, 200,000 men were inducted. This was the result of the System's being fully operable and having the ability to quickly react to the needs of the Armed Forces.

The contrast in the two types of operation, in terms of numbers and how long it took to effect these inductions, is striking. This vast improvement can be laid only to the fact that the Selective Service System could quickly react inasmuch as a complete structure for its operation was in effect. This is the organization we have today. This is what some people would throw away.

Never in the history of the System has there been developed such an effective organization. The most careful planning has been exercised as Selective Service has moved toward standby. The final level provided in this budget has built into it the full capability to expand and

be completely operational in a matter of days if a national emergency occurs. There can be no substitute for the continuation of the System at the projected strength level.

The conclusion is inescapable. If we intend to have an effective standby structure, we must provide the \$46.4 million the committee has recommended. Without an adequate Selective Service System to supplement the All Volunteer Force effort, our entire national defense posture may suffer.

We must have the capability to maintain our Armed Forces, and without the backup support of the System we cannot be assured that this capability is met. The possible urgent need for the Nation to react quickly requires that a standby draft be maintained. It is only through the continued existence of an organization assembled and trained to function that a rapid beginning of the induction process will be accomplished.

For this purpose, sufficient moneys must be approved to keep in being the standby structure of the Selective Service System.

There as to be a point at which there is nothing to be gained by cutting appropriations for Selective Service operations. Too little money to operate effectively simply harms the young men in our home districts.

Selective Service does not buy things with their money. When their appropriation is cut, they do not quit buying airplanes, or trucks or ships; they do not quit building roads or bridges; they do not cancel loan programs, or quit funding school programs. They simply fire some of their employees.

Three years ago the Selective Service System had 7,200 paid employees and about 30,000 volunteers. This proposed budget will give us 2,500 paid employees and about 48,000 volunteers. If we do not have these paid employees to support the work of the volunteers, we must throw away the volunteer organization. That is a throwaway which makes no sense.

What do these employees do? They are the technically trained people who help the 40,000 volunteers in handling our young men in case the country is using the draft. There comes a time when simple belt-tightening will not gain any more efficiency.

Each year there are about 2 million young men who must register at age 18. As they go through their 19th and 20th years there are other procedures which must be accomplished in giving them their lottery numbers and classifying them in accord with the procedures for a standby draft.

The work product of Selective Service is our young men and their accurate and equitable handling in the event an emergency causes the country to resume use of the draft. When we do not have enough people to do this well in each county, of each State, it is our young men who suffer from the effect.

When we are paying \$62 million for one—mind you, just one—airplane, spending \$46 million to insure that if we have to, we can draft to meet an emer-

gency, and do it accurately, fairly, and equitably is a mighty small price for an immensely valuable ability.

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

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

Mr. BIAGGI. Mr. Chairman, I would like to suggest that the gentleman from California makes the argument for the amendment primarily on the grounds on which we take opposition to it. When we look at the proposed reduction in forces and proposed reduction in sites which extend into 1975, in my judgment that is sufficient testimony to the efficacy of the All-Volunteer Army.

In addition to that we have the statement of the Secretaries of the Army and the Air Force and the Navy which said they have adequately met the maximum recruitment. Therefore, the statement as far as the All-Volunteer Army is concerned, is in my judgment without sound substance.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the figures that have been furnished by the distinguished chairman of the committee, the gentleman from Massachusetts (Mr. BOLAND), as to the annual number of registrants when compared to the total amount that is sought for this appropriation seems to me to make the process quite expensive. I am concerned by the statement made by my friend, the gentleman from California (Mr. TALCOTT), that the amendment of the gentleman from Rhode Island would kill the Selective Service program. I rise to ask the gentleman from Rhode Island whether the assertion by the gentleman from California is correct and I yield to the gentleman.

Mr. TIERNAN. Mr. Chairman, I would have to say the statement by my distinguished colleague, the gentleman from California, is one that is made in the course of debate on this amendment, but he knows that the Director of the Selective Service Agency was before the committee last year and indicated to the committee that the bench mark that the Office of Management and Budget gave to them was \$27 million a year ago, and that is the reason why last year I offered the amendment to bring it down to \$28 million, and I think that is a figure that would allow the agency to reduce its top level management personnel. They have not made one top level reduction. They let two people go over GS-9 and all others were lower level clerks in GS-4's and GS-5's.

If we check the record we will find they had over 2,000 draft board sites and this year what they want is to operate less than 700 sites so it will be down to 650 sites. I say this amendment I offer of \$28 million will be more than adequate for this agency to operate efficiently and well within its budget and I think this is the way we can express to this agency that we want them to do it.

We gave them \$10 million last year in the budget request. We made no request at all different from what they requested this year other than we cut 10 percent of the money they requested for payment

of rent to GSA. So I suggest we should reduce this to \$28 million.

Mr. YATES. I find myself in accord with the argument presented by the gentleman from Rhode Island. It seems to me in response to the statement of my good friend, the gentleman from South Carolina (Mr. DAVIS), that in view of the fact that there is no legislation on the statute books which would permit the draft, that at such time as the draft might be required, the time needed for preparing and for passing appropriate legislation would permit the filing of a supplemental appropriation which would permit the correction of any deficiencies that might accrue as a result of the amendment offered by the gentleman from Rhode Island.

Therefore, Mr. Chairman, I propose to support the amendment.

The CHAIRMAN pro tempore (Mr. MURPHY of Illinois). The question is on the amendment offered by the gentleman from Rhode Island (Mr. TIERNAN).

The question was taken; and on a division (demanded by Mr. TIERNAN) there were—ayes 10, noes 24.

So the amendment was rejected.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed \$2,500 for official reception and representation expenses; cemeterial expenses as authorized by law, purchase of one passenger motor vehicle (medium sedan for replacement only) and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services: \$388,130,000.

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN (Mr. O'HARA). Are there any points of order to be made?

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I have a point of order.

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

Mr. SYMMS. I have a point of order to page 19, starting at line 25, going through page 20, the language through line 2.

The language to be found reads: "Not to exceed \$2,500 for official reception and representation expenses."

The point of order is raised because it is not authorized by law.

Mr. BOLAND. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Massachusetts concedes the point of order.

The point of order is sustained.

Are there further points of order?

POINT OF ORDER

Mr. SYMMS. Mr. Chairman, I have a point of order.

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

Mr. SYMMS. Mr. Chairman, I have a point of order to page 27, the language to be found on lines 11 through 13:

That not to exceed \$1,000 shall be available for official reception and representation expenses.

I make the point of order because it is not authorized by law.

Mr. BOLAND. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman from Massachusetts concedes the point of order, and the point of order is sustained.

Are there any further points of order? Are there any amendments?

Mr. SYMINGTON. Mr. Chairman, while I do not oppose the appropriations bill before the House today, I should like to express my regret that the bill does not provide the funds requested by NASA to support definition studies for the large space telescope during the forthcoming year.

I want to emphasize that under the NASA schedule it will be a full year before NASA undertakes the detailed design and development of the large space telescope. That is to say, it was NASA's intention to include the LST as a "new start" next year, when the space program for fiscal year 1976 is presented to Congress. In the meantime, fiscal year 1975 funds were to be used to support work designed to establish confidence and assurance in all aspects of the technology before the hardware phase begins.

Mr. Chairman, the large scale telescope has been under study by distinguished members of the scientific community for a decade. Its feasibility has been established. It is considered the single most important project for the future of optical astronomy, and is expected to make the most remarkable contributions to the study of the universe.

Three hundred fifty years ago Galileo's first telescope opened the door to astronomical research. Since then, successive generations of scientists, using more and more powerful ground-based instruments, have made great strides in the sciences of astronomy and astrophysics. Many of the most significant advances have been made during the past decade, clearly demonstrating the importance of placing astronomical instruments above the Earth's obscuring atmosphere.

The LST will permit scientists to gaze deeply into space—to distances 10 times farther than is possible with the best ground-based telescopes—and it will see objects 100 times fainter than those that can be seen with existing instruments. Because the light that reaches us from such distant regions of the universe has traveled for billions of years, the LST will permit us to travel in a kind of backward time machine and to view the history and evolution of the universe, possible to its very origins.

Astronomical objects in various stages of development will be seen by the LST with great resolution. The study of such things as the highly condensed matter in neutron stars, or the enormous energy production in quasars, may lead to dra-

matic modifications of the laws of physics. In many ways, the LST is expected to give new illumination to the entire range of astronomy and astrophysics, and man's understanding of the cosmos will take a giant step forward using this powerful new instrument.

The best authorities have told us that the LST is the next logical step in optical astronomy. In this connection, I have been in communication with Dr. Jesse L. Greenstein of the California Institute of Technology who strongly supports the LST project. Dr. Greenstein was the chairman of an astronomy survey committee of the National Academy of Sciences whose report in 1969 evidently formed part of the basis for the Appropriations Committee's rejection of the proposed LST funding. Dr. Greenstein's more recently expressed attitude gives insight into the scientific community's current position on the LST. I have asked Dr. Greenstein to write to me on this matter, and I intend to share his views with all my colleagues by inserting his letter in the RECORD.

In conclusion, Mr. Chairman, let me say that the Subcommittee on Space Science and Applications, which I have the honor to chair, reviewed the entire NASA science program thoroughly during the recent NASA authorization hearings, and our members unanimously endorsed the definition studies of the LST proposed to be carried out during the next fiscal year. We were satisfied that the requested funding was fully justified, and it is my hope the large space telescope will achieve the approval of my colleagues.

The Chair recognizes the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15572) making appropriations for the Department of Housing and Urban Development; for space, science, veterans and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

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

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

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

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

Mr. TALCOTT. Mr. Speaker, I object to the vote on the grounds 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 407, nays 7, not voting 20, as follows:

[Roll No. 331]

YEAS—407

Abdnor	Danielson	Howard	Sandman
Abzug	Davis, Ga.	Huber	Traxler
Adams	Davis, S.C.	Hudnut	Sarbanes
Addabbo	Davis, Wis.	Hungate	Treen
Alexander	de la Garza	Hunt	Satterfield
Anderson, Calif.	Delaney	Hutchinson	Ullman
Anderson, Ill.	Dellenback	Ichord	Schneebeli
Andrews, N.C.	Denholm	Jarman	Van Der Lin
Andrews, N. Dak.	Dennis	Johnson, Calif.	Vander Jagt
Annunzio	Dent	Johnson, Colo.	Vander Veen
Archer	Derwinski	Johnson, Pa.	Vanik
Arends	Devine	Quie	Seiberling
Armstrong	Dickinson	Quillen	Shipley
Ashbrook	Diggs	Railsback	Pike
Ashley	Dingell	Randall	Poage
Aspin	Donohue	Rangel	Podell
Badillo	Downing	Barick	Powell, Ohio
Bafalis	Drinan	Rees	Preyer
Baker	Dulski	Regula	Price, Ill.
Barrett	Duncan	Reuss	Pritchard
Bauman	du Pont	Rhodes	Slack
Beard	Eckhardt	Riegle	Smith, Iowa
Bell	Edwards, Ala.	Rinaldo	Smith, N.Y.
Bennett	Edwards, Calif.	Roberts	Snyder
Bergland	Elberg	Robinson, Va.	Spence
Bevill	Erlenborn	Steelman	Staggers
Biaggi	Eshleman	Steiger, Ariz.	Stanton, J. William
Blester	Evans, Colo.	Steiger, Wis.	Stanton, James V.
Bingham	Fascell	Robinson, N.Y.	Stark
Blackburn	Findley	Rodino	Steed
Blatnik	Fish	Roe	Steele
Boggs	Fisher	Rogers	Steelman
Boland	Flood	Roncalio, Wyo.	Stubblefield
Bolling	Flowers	Roncalio, N.Y.	Stuckey
Bowen	Flynt	Rooney, Pa.	Studds
Brademas	Foley	Rose	Sullivan
Bray	Ford	Rosenthal	Symington
Breaux	Forsythe	Roush	Talcott
Breckinridge	Fountain	Roy	Taylor, Mo.
Brinkley	Fraser	Royal	Taylor, N.C.
Brooks	Frelinghuysen	Runnels	Teague
Broomfield	Frenzel	Ruppe	Thompson, N.J.
Brotzman	Frey	Ruth	Zablocki
Brown, Calif.	Froehlich	Ryan	Thomson, Wis.
Brown, Mich.	Fulton	St Germain	Thone
Brown, Ohio	Fuqua		Thornton
Bryonhill, N.C.	Gaydos		Tierman
Bryonhill, Va.	Gettys		
Buchanan	Gaimo		
Burgener	Gibbons		
Burke, Calif.	Gilman		
Burke, Fla.	Ginn		
Burke, Mass.	Goldwater		
Burleson, Tex.	Gonzalez		
Burlison, Mo.	Goodling		
Burton, John L.	Grasso		
Burton, Phillip	Green, Oreg.		
Butler	Green, Pa.		
Byron	Griffiths		
Camp	Grover		
Carney, Ohio	Gubser		
Carter	Gude		
Casey, Tex.	Gunter		
Cederberg	Guyer		
Chamberlain	Haley		
Chappell	Hamilton		
Chisholm	Hammer-		
Clancy	schmidt		
Clark	Hanley		
Clausen, Don H.	Hanna		
Clawson, Del	Hanrahan		
Clay	Hansen, Idaho		
Cleveland	Hansen, Wash.		
Cochran	Harrington		
Cohen	Harsha		
Collier	Hastings		
Collins, Ill.	Hébert		
Collins, Tex.	Hechler, W. Va.		
Conable	Heinz		
Conte	Heilstoski		
Corman	Hicks		
Cotter	Hillis		
Coughlin	Hinshaw		
Cronin	Hogan		
Culver	Holtzman		
Daniel, Dan	Holifield		
Daniel, Robert W., Jr.	Hosmer		

Conlan	Gross	Symms
Conyers	Landgrebe	
Crane	Mathis, Ga.	
Brasco	Hawkins	Mollohan
Carey, N.Y.	Henderson	Nix
Daniels,	Holt	Pepper
Dominick V.	Horton	Price, Tex.
Dorn	McKinney	Reid
Esch	Macdonald	Rooney, N.Y.
Gray	Madigan	Rousselot

#### NOT VOTING—20

Brasco	Hawkins	Mollohan
Carey, N.Y.	Henderson	Nix
Daniels,	Holt	Pepper
Dominick V.	Horton	Price, Tex.
Dorn	McKinney	Reid
Esch	Macdonald	Rooney, N.Y.
Gray	Madigan	Rousselot

So the bill was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Esch.  
Mr. Dominick V. Daniels with Mr. Dorn.  
Mr. Brasco with Mr. Henderson.  
Mr. Macdonald with Mrs. Holt.  
Mr. Carey of New York with Mr. Madigan.  
Mr. Hawkins with Mr. Horton.  
Mr. Gray with Mr. McKinney.  
Mr. Mollohan with Mr. Pepper.  
Mr. Nix with Mr. Price of Texas.  
Mr. Reid with Mr. Rousselot.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed and to include tables, charts, and other extraneous matter.

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

There was no objection.

**PROVIDING FOR CONSIDERATION OF H.R. 14883, AMENDING PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965**

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1194 and ask for its immediate consideration.

The Clerk read the resolution as follows:

**H. RES. 1194**

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order consider the amendment in the nature of a substitute recommended by the Committee on Public Works now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Indiana (Mr. MADDEN) is recognized for 1 hour.

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

Mr. Speaker, House Resolution 1194 provides for an open rule with 1 hour of general debate on H.R. 14883, a bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period.

House Resolution 1194 provides that it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Public Works now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule.

H.R. 14883 authorizes the appropriation of \$510 million for each of the next 2 fiscal years. The funds are authorized to increase the capability of States and sub-State districts to undertake economic adjustment and development planning and to encourage the formation of economic development districts to promote greater coordination of activities between Regional Commissions, States, and sub-State districts.

H.R. 14883 also adds a new title IX to the act which authorizes an experimental economic development and adjustment demonstration program to permit the Secretary flexibility in funding eco-

nomic development and adjustment plans that are not otherwise authorized by the act.

Mr. Speaker, this legislation will join with the various States and localities in providing Federal assistance to enable areas and regions suffering from unemployment and economic distress.

The bill will help these areas develop the planning and financial capabilities for long-lasting economic improvement and restore permanent jobs and prosperity.

The legislation emphasizes long-range plans for economic growth and technological assistance, business loans and guarantees, and other assistance as tools to implement various projects and programs.

The Public Works Committee held extensive hearings on this legislation and testimony was received from the Secretary of Commerce, the Office of Management and Budget, Members of Congress, Governors, mayors, and other State and local officials, and representatives of Indian tribes. Many letters and communications were placed on file supporting the extension of the existing public works program.

More extensive hearings will be needed before a new major economic development program can replace the existing legislation. The extension of these programs met with almost unanimous approval in order to prevent any gap or delay before a new program is developed.

Mr. Speaker, I ask for the adoption of the rule and enactment of this legislation so the Federal Government can cooperate with the various States and localities in providing Federal assistance to enable areas and regions suffering from unemployment and economic distress.

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

Mr. Speaker, as previously explained, House Resolution 1194 provides for the consideration of H.R. 14883, the extension of the Public Works and Economic Development Act of 1965, under an open rule with 1 hour of general debate. In addition, the rule makes it in order to consider the committee substitute as an original bill for the purpose of amendment.

The purpose of this bill is to extend the authorization of funds for the Public Works and Economic Development Act of 1965 for an additional 2 years.

The total cost of this bill would be \$1,020,000,000 over a 2-year period—\$510 million for each year broken down as follows:

[In millions]		
Public works grants and supplementary grants		\$200
Public works and business development loans and guarantees		60
Planning, technical assistance and research		60
Growth centers and bonuses for redevelopment areas within economic development districts		45
Regional action planning commission programs		95
Special economic development and adjustment assistance demonstration program		50

By way of comparison, the fiscal year 1974 authorization under this act was \$430,000,000, and the fiscal year 1974 appropriation was \$281,500,000.

Mr. Speaker, I recommend adoption of the resolution.

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

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**PROVIDING FOR CONSIDERATION OF H.R. 15276, JUVENILE DELINQUENCY PREVENTION ACT OF 1974**

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1197 and ask for its immediate consideration.

The Clerk read the resolution as follows:

**H. RES. 1197**

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15276) to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. Speaker, as previously explained, House Resolution 1194 provides for the consideration of H.R. 14883, the extension of the Public Works and Economic Development Act of 1965, under an open rule with 1 hour of general debate. In addition, the rule makes it in order to consider the committee substitute as an original bill for the purpose of amendment.

The purpose of this bill is to extend the authorization of funds for the Public Works and Economic Development Act of 1965 for an additional 2 years.

The total cost of this bill would be \$1,020,000,000 over a 2-year period—\$510 million for each year broken down as follows:

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

Mr. Speaker, House Resolution 1197 provides for an open rule with 1 hour of general debate on H.R. 15276, a bill to provide a comprehensive approach to the problems of juvenile delinquency.

House Resolution 1197 provides it shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an

original bill for the purpose of amendment under the 5-minute rule.

House Resolution 1197 also provides that after the passage of H.R. 15276, the Committee on Education and Labor shall be discharged from the further consideration of the bill S. 645 and it shall then be in order in the House to move to strike out all after the enacting clause of S. 645 and insert in lieu thereof the provisions contained in H.R. 15276 as passed by the House.

H.R. 15276 establishes a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare through which the provisions of the bill will be administered.

The bill allocates funds to States on the basis of relative population under the age of 18 years, with a minimum allocation of \$150,000 per State. In order for States to receive funds, they must submit a State plan which provides for the development of advanced techniques in the treatment and prevention of juvenile delinquency under the supervision of a State Supervisory Board.

H.R. 15276 also authorizes the Secretary of Health, Education, and Welfare to make grants to localities and nonprofit agencies for the development of facilities to serve runaway youth and their families outside of the law enforcement and juvenile justice system.

The bill also authorizes an annual appropriation of \$75 million for each of fiscal years 1975 and 1976; \$125 million for fiscal year 1977 and \$175 million for fiscal year 1978.

Mr. Speaker, I urge the adoption of House Resolution 1197 in order that we may consider, debate and pass H.R. 15276.

Mr. Speaker, I take particular pleasure in bringing forth this rule to the House because I think this bill makes one of the most significant contributions which the Congress has made or proposes to make in dealing not only with the problem of juvenile delinquency but also with the problem of crime in the country. One-half of all crime committed in the country is by people under 18 years of age and this bill deals primarily with that segment of our population.

The emphasis in this legislation is upon prevention, on trying to prevent young boys and girls from dropping out of schools and falling into the paths of crime and from becoming charges upon their localities or States or their country and becoming people who will inflict crime upon their fellow citizens. This bill offers great hope that when it is fully implemented it will not only save many deserving bright young lives in this country but will also very materially reduce crime in the Nation.

So, Mr. Chairman, I want to commend in the warmest way the distinguished chairman of the subcommittee, the gentleman from California (Mr. HAWKINS), and his colleagues on the Committee on Education and Labor for bringing this bill to the floor of the House.

I yield now to the able gentleman from California (Mr. DEL CLAWSON).

Mr. DEL CLAWSON. Mr. Speaker, as previously explained, this rule, House

Resolution 1197, provides for the consideration of H.R. 15276, the Juvenile Delinquency Prevention Act of 1974. It is an open rule with 1 hour of general debate. In addition, the resolution makes the committee substitute in order as an original bill for the purpose of amendment, and makes it in order to insert the House-passed language in the Senate bill.

The purpose of this bill is to focus on the need for coordination of juvenile delinquency efforts on the Federal, State, and local levels and seek to involve the nonprofit sector in these efforts.

Major provisions of the bill are:

Establishment of a Juvenile Delinquency Prevention Administration within the Department of Health, Education, and Welfare. The Secretary is to submit an annual report to Congress with recommendations for improving the effectiveness of all Federal juvenile delinquency programs. The bill allocates funds to States and territories, on the basis of relative population under the age of 18, with a minimum allocation of \$150,000 per State.

An Institute for the Continuing Studies of the Prevention of Juvenile Delinquency is established which would provide independent research, evaluation, training, technical assistance and informational services. A Federal assistance program is established to deal with the problems of runaway youth and their families. And, an independent Coordinating Council on Juvenile Delinquency Prevention is created with public membership, which would advise the Secretary with respect to the coordination of all Federal juvenile delinquency programs.

Mr. Speaker, I urge the adoption of this rule in order that the House may begin debate on H.R. 15276.

Mr. Speaker, I have no further request for time and yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no further request for time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

Mr. BLATNIK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes.

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

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill, H.R. 14883, with Mr. ADAMS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule the gentleman from Minnesota (Mr. BLATNIK) will be recognized for 30 minutes and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BLATNIK).

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

Mr. Chairman, we will make our remarks on the floor brief in the interest of saving as much time as possible. We will attempt to respond to specific questions which require us to give specific precise information on any particular points of concern or any which require further information or clarity.

Mr. Chairman, before going any further, I just noticed a very important colleague of ours is back after a prolonged siege in the hospital. Will the gentleman from New Jersey (Mr. HOWARD) please pay attention. We welcome him back to the floor. The gentleman from New Jersey (Mr. HOWARD) has been a very important Member on several pieces of legislation before this Committee.

Mr. Chairman, today we bring before you H.R. 14883, a bill to extend and amend the Public Works and Economic Development Act of 1965.

As you know, this legislation is designed to assist areas and regions suffering from high unemployment and underemployment by encouraging the location of new permanent jobs for these areas. Federal assistance is made through grants for public facilities, technical assistance, and business development loans.

The authorizing provisions of this act expire the 30th of this month. The bill is basically a 2-year extension of present programs with some changes to strengthen existing programs as well as providing the groundwork for new economic development programs.

Mr. Chairman, it is imperative that the Public Works and Economic Development Act be extended for another 2 years. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 2½ years, and in which severely distressed areas experience 20 percent and even 30 percent unemployment.

It is even more distressing to read all the conflicting forecasts of unemployment for later this year—the administration states that the official rate is 5.2 percent today and it is going to rise—but no one agrees on how much. It is significant, though, that the administration has changed its position from last year—they are no longer pushing to terminate the EDA programs. To their credit, they did evaluate present efforts in response to last year's legislation and are now recommending a long-range economic adjustment program. The bill before us lays some significant ground-

work for new legislation that will be considered next year.

At the same time, the notion has been advanced that we should not extend this act because of a concern for the level of Government spending is still being advanced by some. This would be false economy indeed.

With unemployment and welfare payments running over \$25 billion per year, it is obvious that what this Nation needs is greater economic development efforts, not less. And this, creating jobs, is what the economic development administration and regional commission programs do.

In fact, evidence presented before the Public Works Committee during hearings last year indicates that EDA and the regional commissions have created more than half a million jobs since they began work 9 years ago. The agencies have created these jobs in areas of high unemployment—the very toughest areas to work in—and they have done it with a relatively small amount of funds.

There can be no question but that EDA and the regional commissions have done an effective job of bringing economic growth and opportunity to people who have long been denied adequate jobs and income.

Although we agree on the need for new, broader economic development programs, it would be folly to permit existing programs and agencies to be discontinued when it is very clear that these programs are greatly needed and that no satisfactory replacements have been proposed.

There may well be better ways of stimulating job development than those contained in the existing legislation, and the Public Works Committee is currently conducting field investigations in search of better ways to bring economic opportunity to the distressed areas of our Nation. Title IX of this bill does authorize a new demonstration program to try new ideas.

Our tentative conclusion is that what we really need is a carefully constructed set of policies at the Federal, State, and local levels which can influence the direction and extent of our Nation's growth.

But such legislation cannot be developed overnight and, until it is completed, the valuable work of EDA and the regional commissions must continue. It is the responsibility of this Congress to see that it does. We can best assure that the much needed economic development effort continues without interruption by passing H.R. 14883 immediately.

The major changes to the existing legislation are:

First, assistance available for areas designated under the substantial unemployment criteria set forth in title I is broadened to include business development.

Second, the business development loan program, authorized by title II, is broadened to permit the Secretary to guarantee loans and rental payments of leases made to private borrowers within redevelopment areas by private institu-

tions. The Secretary is also authorized to make working capital loans and guarantee working capital loans made by private banking institutions.

Third, a new section in title III is authorized to provide grants for economic development planning. This broadens the current authority of the Secretary to permit direct grants for planning to regional commissions, States, substate planning organizations, cities, and other political subdivisions.

Fourth, the requirements for establishing economic development districts authorized by title IV of the act are made easier by requiring only one redevelopment area instead of two as a prerequisite for district formation. The Secretary is also authorized to approve projects outside of redevelopment areas within an economic development district when such projects will be a substantial direct benefit to the redevelopment area.

Fifth, a new title IX special economic development and adjustment assistance demonstration program is authorized to assist in meeting special needs arising from pending economic dislocation and severe unemployment. The new demonstration program is intended to test and evaluate new methods of combating economic dislocation problems before or as they occur rather than by assisting in area after it has become economically depressed.

TOTAL FUNDING AUTHORIZED BY THIS BILL IS  
\$1,020,000,000

The annual funding authorized by the bill is as follows:

Title I: Public works grants and supplementary grants, \$200 million.

Title II: Public works and business development loans and guarantees, \$60 million.

Title III: Planning, technical assistance and research, \$60 million.

Title IV: Growth centers and bonuses for redevelopment areas within economic development districts, \$45 million.

Title V: Regional action planning commission programs, \$95 million.

Title IX: Special economic development and adjustment assistance demonstration program, \$50 million.

Total annual authorization, \$510 million.

Two-year authorization total, \$1,020,000,000.

MR. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 14883, as reported, a bill to extend for 2 years the Public Works Economic Development Act of 1965, as amended, and to initiate a demonstration program for special economic development and adjustment assistance. The Economic Development Administration is and has been successfully administering those programs delegated to it. Legislation to continue and improve these programs is commendable. EDA has allowed great flexibility in current decisionmaking which allows local input on decisions affecting local priorities. This is an effective Federal/local partnership in action. This valuable planning and technical assistance vehicle has proven itself as a responsive tool for delivering the Federal dollar to meet the local need. It is totally coordinated with the needs of the local community.

Economic development is a long-term effort requiring smooth implementation

of all phases of the brick and mortar process and the more comprehensive development of human skills beyond the bricks. Several changes to the current law were added to improve current legislation to meet these ends. Very significantly, the so-called title I areas until now only eligible for title I public works grants assistance will be eligible for all assistance under the act. Because of the nature of title I criteria, many urban areas of the country have been declared so-called title I areas, but these areas are in need of loan assistance more so than grants for public facilities. The committee recognized this and made the appropriate change.

Additionally, the loans under title II have been expanded to include working capital loans and guarantees for businesses within redevelopment areas without regard to previous EDA assistance. This expansion in the loan program and in particular, working capital loans and guarantees, will aid industries trying to "turn the corner."

A new section 302 was added to provide for planning grants for States, cities, political subdivisions, substate planning organizations, as well as existing economic development districts. In view of the desire to continue the traditional "from below" planning process, the committee added a provision to require State planning to be prepared cooperatively by the State, its political subdivision and economic development districts, and such State plans be consistent with local and economic development district plans.

Title IX, a demonstration program for special economic development and adjustment assistance, provides for the Secretary to make grants to any eligible recipients who has experienced or may experience a special need to meet an expected rise in unemployment or other economic adjustment problems. These problems may include action or decisions of the Federal Government including job losses caused by compliance with environmental requirements, closing of Federal installations and explicit energy allocations. The committee will watch the performance of this new program and expects that a variety of plans to be accepted so that a cross-section analysis will guide the committee in authorizations of any future economic development programs. It is expected that this program not be directed to any single eligible recipient, such as a State or States, but rather all eligible recipients should be considered. This is not to say that all eligible recipients should receive a grant, that decision has been left to the discretion of the Secretary; however, it is certainly hoped that the administration does not remold this program into their original proposal of exclusive State grants.

The committee is not committed to accept this new concept of economic development aid as the correct and most responsive approach to meet our Nation's economic problems. The current EDA program offers an effective approach for aid to economic distressed areas. The demonstration program of

fers economic aid in anticipation of economic decline. Aid in anticipation is not the same as aid to distressed areas. In evaluating this new program this difference will be kept in mind. Effectiveness of a program cannot be measured by comparing the results with those results of a program of different approach and concept, namely EDA. Nevertheless, the committee will try this new approach, and give it a proper evaluation for future program authorizations when the committee takes up the question of economic development later this year.

Finally, I would be remiss by not mentioning the vital work being done by the economic development districts, authorized by title IV of the act. In addition to the traditional economic development services these multijurisdictional organizations have provided to the areas within their jurisdiction, EDD's act as a clearinghouse for many other Federal programs. Recently, districts have been given another responsibility, to act as the economic recovery planning agency in the case of a Presidentially declared national disaster. Public Law 93-288, the Disaster Relief Act Amendments of 1974 added a new title VIII to EDA, economic recovery for disaster areas. Economic development districts shall act as the planning agency when all or part of the area has been declared a major disaster, shall review existing plans for the affected areas, and may make recommendations for revisions in plans as well as prepare new plans. This new title provides not only recovery planning efforts, but also provides grants and loans for public facilities, business loan guarantees and technical assistance. Congress showed sound judgment in recognizing both the need for economic recovery from major disasters and the agency best equipped to handle this recovery effort, EDA. I am hopeful that this title will be implemented swiftly in light of the rising needs for the services it can offer.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield such time as he may consume to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Chairman and Members of the House, I thank the gentleman for yielding and compliment him for his fine comments on this bill.

Mr. Chairman, I rise in support of H.R. 14883, a measure to extend the Public Works and Economic Development Act of 1965, which adds several innovations to a program which has already proven its worth in my District.

This legislation contains several refinements, including the expansion of categories of assistance available to older urban areas as much in need of preserving existing jobs as in creating new ones. The further establishment of economic development districts, which make available a high degree of development expertise to local government, will be encouraged by an amendment permitting their creation on the basis of one—instead of two—redevelopment areas. And needed flexibility is added by the provision permitting assistance in portions of an economic development dis-

trict, but lying outside the redevelopment area, when such assistance will demonstrably benefit the redevelopment area.

Moreover, I wish to emphasize two important additions in the way of more flexible authority under the business development assistance section of the bill. It creates, for the first time, a new category of working capital direct loans for businesses whose needs cannot be met by other available forms of assistance.

#### LOANS—SPECIAL NEEDS

Eligible applicants for these below-market-rate loans are to include the same categories of businesses whose problems are also addressed in title IX, the demonstration grant program. This represents a genuine improvement accomplished during the drafting process. And it embodies the principle of the business loan provision which I sponsored in the 1972 act—which was vetoed—intended to assist business in meeting the costly requirements of compliance with antipollution regulations. Other Federal actions, including closing of Government installations and adverse employment impact of Federal energy decisions, also are covered among abnormal circumstances which these provisions permit us to address for the first time.

It should be emphasized, however, that the abnormal circumstances addressed in the loan section are not limited to results of Federal actions. As the committee report makes clear, eligible recipients will include the problem-plagued winter recreation industry in areas where abnormally prolonged lack of snowfall jeopardizes jobs and investments in businesses which have been a stable source of considerable local employment in the past, and can be reasonably expected to do so in the future if temporarily assisted in meeting working capital needs.

In connection with these environmental orders, I would like to call to my colleagues' attention that just yesterday, the Investigations Subcommittee of the Committee on Public Works received disturbing figures from the Environmental Protection Agency on the costs of compliance with industrial discharge regulations now being developed.

What is more, today we heard from representatives of just one industry, steam electric generation, that EPA's figures severely underestimate the case as they apply to just that one industry. The difference is in multiples of two or three, or as subcommittee Chairman JIM WRIGHT summed up this morning, "billions of dollars apart."

This suggests, Mr. Speaker, that the type of assistance we provide here, with business loans and the demonstration program in title IX, may be a drop in the bucket in terms of eventual needs unless the guidelines are made less restrictive.

#### WORKING CAPITAL LOANS

To return to the provisions of this bill, it also allows, again for the first time, "free-standing" working capital loan guarantees. I use this term because in the past, such guarantees have been lim-

ited to EDA projects also financed by facilities loans.

These loan and guarantee programs should serve to stretch the impact of limited funds available, in contrast to outright grants. The guarantees, while offering no great break on interest rates, could mean the difference between an applicant's receiving a loan or being turned down.

Those who scan the committee report also will note that the intent of this section is that the Secretary of Commerce expedite processing of applications for direct and guaranteed working capital loans.

Title IX represents an adaptation of the administration's proposal to inject more of a bloc grant or revenue-sharing concept into the EDA program. It is somewhat anticipatory, as well as a remedial, in its approach in that it is intended to permit localities to head off economic problems before they become severe and hence more costly to alleviate. Unlike the working capital loan and guarantee programs, the grants would not be limited to redevelopment areas.

Mr. Speaker, recently EDA demonstrated its continuing responsiveness to problems of economic distress in my district by approving a \$1.4 million grant to help finance a critically needed improvement in the water system in Berlin, N.H., an industrial city above the State average in unemployment and below in income. Serving a city-owned industrial park, it should serve to trigger economic rebirth of a city whose expansion potential has been limited by a shortage of suitable sites for industry and a lack of reliable, high-quality supply of water.

In sum, I have considered the EDA program a sound one over the years. With the innovations added in this bill, I consider it even more worthy of continued support.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. Mr. Chairman, I rise to compliment the committee and the gentleman in the well for the fine presentation, and I rise to support the legislation before us.

Mr. Chairman, I rise in support of H.R. 14883, as reported, a bill to extend for 2 years the Public Works and Economic Development Act of 1965, as amended, and to initiate a demonstration for special economic development and adjustment assistance. EDA has served the Nation's economically lagging areas well, providing essential public facilities grants and loans, business loans, technical assistance, and the vital organizational structure economic development districts, to cope with economic decline and decay.

While I can only relate the results associated with a given area that I am very familiar with, I can state without fear of contradiction that every application submitted and ultimately approved has resulted in higher-than-average job-producing capacity. The many projects

in which EDA has been involved in my own area along the north coast of California, which includes fish processing plants in Del Norte and Humboldt Counties, harbor mooring facilities in Mendocino County, water purification facilities in Lake County, and highway and sewage improvements in Sonoma County, all serve as graphic illustrations of EDA's successful program performance.

The 2-year extension of EDA, along with the demonstration program special economic development and adjustment assistance, will add to the tools to meet the economic needs of the Nation. While the adjustment assistance will be in experimental stages for the next 2 years, it could provide a viable means for economic development.

The Committee on Public Works completed on April 23, a record of witnesses in total support of the extension of the Public Works and Economic Development Act. Some 25 witnesses appeared over the 4 days of hearings; the overwhelming majority of witnesses representing States, substate organizations, both public and private, called for a multiyear extension of the current program; every witness supported the committee's investigation of development legislation to determine better ways to promote domestic development.

I have consistently supported EDA legislation; I support this 2-year extension but I do so with the understanding that changes in our economic development efforts should be considered to accommodate new policy objectives. This extension could be a link to new policies for economic development. Accordingly, the committee recommends a demonstration program for special economic development and adjustment assistance, title IX. This title approaches economic problems in an anticipatory manner. There is no criteria for area qualifications, nor is there any waiting period for economic distress signals to become loud enough to send economic assistance to meet the need. There is adequate flexibility to make this program meet a variety of economic needs. The committee will review closely the results of this program for future economic development legislation.

At the same time EDA will continue to serve the "green" areas of the country: areas suffering high unemployment and underemployment, low income, out-migration and the like. We are not about to relinquish this vital program for the sake of unproven theories about alternative approaches to these problems.

In addition to the tools for development provided "green" areas, EDA offers assistance to Indian tribes for planning, public facilities, technical assistance, and business loans for economic development. Earlier, the administration opposed the continuation of Indian programs under EDA and proposed instead that these activities be transferred to the Bureau of Indian Affairs through legislation for Indian development. I opposed this move, as did many other colleagues, both on the Public Works Committee and Interior Committee. EDA programs for Indian tribes have been very effective. EDA has shown imagina-

tion in attempting to stimulate economic growth on Indian reservations and the results will show for years to come. EDA's approach to Indian development is predicated on the participation of Indian people in solving their own problems. Since this initial proposal, I am happy to note that the administration has relented on this original transfer proposal and an additional \$31 million has been requested for fiscal year 1975 EDA budget for Indian programs.

In looking ahead to future development legislation the committee will be faced with critical choices; among them the question of growth policy, or public works investment policy encompassing all aspects of Public Works Committee activities. These vital public investment programs can shape the future development of the country. I am confident that we will act wisely, and with all due deliberation on any future legislation.

In this regard, I want to thank the administration for its cooperation, and particularly to OMB Director Roy Ash, who gave us the opportunity to share first-hand the successful experiences we have had in working with this program.

Finally, I want to take this opportunity to commend Secretary Blunt, and EDA's regional directors and area economic development representatives who have successfully carried the program forward, despite the indecision and doubt over program extension. The Economic Development Administration has come a long way, since the days of its predecessor, the Area Redevelopment Authority, which in "pirating" industries from one location to another, placed greater emphasis on relocation than revitalization, and Secretary Blunt and his staff deserve a great deal of credit for this solid record of performance.

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

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

Mr. MIZELL. I thank the gentleman.

Mr. Chairman, I rise in support of H.R. 14883 which further extends the Public Works and Economic Development Act of 1965.

I am supporting this measure because I believe that the assistance offered therein to areas which qualify is essential to the continued economic development of these areas.

But, I must emphasize that this is an extension of a program that needs serious reexamination and reform in light of the quickly changing needs and priorities of the Nation, and particularly of rural America. It was my understanding that when we voted to extend this legislation in the 92d Congress we were doing so in order that there would be adequate time to study alternatives. I am hopeful that with this extension we can begin work on a new concept for economic development in America.

On August 16, 1972, when the House last considered this issue, I said:

Even with these improvements, we are still treating the problems of development in a piecemeal fashion which, while benefiting some areas to a remarkable degree, leaves others still facing the problems of economic and social decay, with little or no hope for improvement.

And it leaves the nation as a whole with no plan to correct the current pattern of imbalanced growth, which finds our central cities suffering from overpopulation and all its ills, while rural areas and small-town America decline into poverty, isolation and despair.

Mr. Chairman, these remarks are just as pertinent today as in 1972, if not more so.

To correct the situation to which I refer, I have introduced legislation—the **Regional Development Act, H.R. 7234**—which would expand and improve the successful formula of planned development followed by EDA, the title V commissions and the Appalachian Regional Commission.

I believe this approach will work as well as on a nationwide basis as it has in the multi-State regions in which it has already been tested.

This is an idea whose time has come. The legislation I have proposed can have a dramatic effect on our efforts to balance economic and population growth in the Nation by providing essential public services and employment opportunities in areas of the country where those services and opportunities are lacking.

My bill would establish a National Development Agency to coordinate the work of a new system of multi-State regional commissions which would carry out locally initiated development programs.

By concentrating in areas of transportation, industrial growth, manpower training, education, health, environmental protection, and planning, this legislation would create new opportunities in these vital areas. It is the lack of such opportunities that has precipitated the massive outmigration of people to the cities which has drastically hurt rural America.

The census tells us our cities are greatly overcrowded. The newspapers, radio and television tell us that this overcrowding has disastrous results. My legislation would help relieve the problems of the cities by encouraging economic and social development in less densely populated areas.

One of the key provisions of my legislation is the heavy emphasis it would give to the development of projects at the local level where people are best suited to know both the needs of the area and how best to meet those needs. This is in keeping with the desires of the people of this Nation, who have let us know that they are tired of inefficient centralized bureaucratic control of their lives from Washington.

Mr. Chairman, I repeat that it is my hope that with this extension of the Public Works and Economic Development Act of 1965 we can begin in earnest to look at the necessary changes in our approach to economic development which my legislation contains.

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

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

Mr. SHUSTER. Mr. Chairman, I rise in support of H.R. 14883 which extends the life of the Economic Development Act for another 2 years.

The economic development of our Nation, and particularly those regions ex-

periencing high unemployment, is crucial to the well-being of our citizens.

Economic development means jobs; jobs for people, and jobs means more than a decent standard of living. Jobs mean dignity. Jobs mean happier families. Jobs mean healthier children. Jobs mean better education. Jobs mean more productivity, and that means reduced inflation.

I have known families where the central continuous question has been: "Is Dad going to have a job?" When Dad works, the family runs smoothly and when he cannot, this family suffers both economically and emotionally.

Mr. Chairman, EDA has helped create thousands of jobs in partnership with private enterprise.

It is unfortunate that the EDA program is not larger. This is where we should properly spend our tax dollars. Economic development is one of the real answers to our welfare mess. People with jobs do not need welfare and most Americans, certainly the people of my congressional district do not want welfare—they want work.

I hope the Public Works Committee and the 94th Congress will use the experience of this program to build a more substantial economic development program for our Nation in the future. I pledge my support of such an effort should I be here in 1975.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. ROE).

Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Mr. Chairman, I want to commend the gentleman from New Jersey, the gentleman from Arkansas, and others who have worked so earnestly and resolutely on the proposition that we have under discussion today. I think their understanding and their comprehension of the problems involved and that have been involved in the last decade are written into this bill, and it is their trouble, effort, and gumption that has led us to this piece of legislation.

Mr. ROE asked and was given permission to revise and extend his remarks.)

Mr. ROE. Mr. Chairman, I would like to comment for the record and bring to the attention of our colleagues here gathered that our distinguished colleague, the gentleman from Michigan, is a strong supporter of this legislation. I regret to say, however, that it was an error in publication here and regrettably his name was left off the publication of the bill. We should correct that.

Mr. Chairman, I rise in support of H.R. 14883, a bill to extend and amend the Public Works and Economic Development Act of 1965 for 2 more years.

As you know, this legislation was first enacted in 1965 to assist areas and regions suffering from high unemployment and underemployment by encouraging the location of new permanent jobs for those areas. Federal assistance is provided by grants for public facilities, technical

assistance, as well as business development loans.

The authorizing provisions of this act expire the 30th of this month. The bill is basically a 2-year extension of present programs with some changes to strengthen existing programs as well as providing the groundwork for possible new economic development and adjustment programs.

The major changes to the existing legislation are:

First. Areas designated under the substantial unemployment criteria become eligible for the business development assistance as do the other areas designated under the act.

Second. The business development loan program, authorized by title II, is broadened to permit the Secretary to guarantee loans and rental payments of leases made to private borrowers within redevelopment areas by private institutions. The Secretary is also authorized to make working capital loans and guarantee working capital loans made by private banking institutions in redevelopment areas. These changes will be particularly helpful to urban areas who have not had the business development assistance available to increase business opportunities in center city areas where vacant buildings are available for new business ventures.

Third. A new section in title III is authorized to provide grants for economic development planning. This broadens the current authority of the Secretary to permit direct grants for planning to any State, city or substate planning organizations.

Fourth. The requirements for establishing Economic Development Districts are made easier by requiring only one redevelopment area instead of two as a prerequisite for district formation. The Secretary is also authorized to approve projects outside of redevelopment areas within an economic development district when such projects will be a substantial direct benefit to the redevelopment area.

Fifth. A new title IX "Special Economic Development and Adjustment Assistance Demonstration Program" is authorized to assist in meeting special needs arising from pending economic dislocation and severe unemployment. The new demonstration program is intended to test and evaluate new methods of combating economic dislocation problems before or as they occur rather than by assisting an area after it has become economically depressed.

TOTAL FUNDING AUTHORIZED BY THIS BILL IS  
\$1,020,000,000

The annual funding authorized by the bill is as follows:

Title I: Public works grants and supplementary grants—\$200 million.

Title II: Public works and business development loans and guarantees—\$60 million.

Title III: Planning, technical assistance and research—\$60 million.

Title IV: Growth centers and bonuses for redevelopment areas within economic development districts—\$45 million.

Title V: Regional action planning commission programs—\$95 million.

Title IX: Special economic develop-

ment and adjustment assistance demonstration program—50 million.

Total annual authorization—\$510 million.

Mr. Chairman, I would like to call your attention to two sections of this bill that I believe make significant changes in the act that could have a major impact in assisting urban areas resolve their economic problems of rising unemployment.

Section 2 of the bill transfers the criteria for the designation of areas based on substantial unemployment statistics currently authorized by title I of the act to title IV. This will consolidate the criteria for eligibility for assistance in title IV of the act and makes uniform to all areas the assistance that is available.

Under the current law, areas which the Secretary of Labor finds were areas of substantial unemployment during the preceding calendar year become eligible to receive grants for public facilities authorized by title I.

The majority of areas designated under this criteria are labor areas or parts of labor areas located in urban or large metropolitan areas. These areas are among the oldest and most developed in the country. They have already in place substantial inventories of public facilities. What is needed for these urban centers, however, are business development incentives for business and industry to remain and provide new jobs and to help retain and expand existing job opportunities.

The purpose of this amendment is to make available to title I areas the other financial assistance authorized by the act.

Of the more than 1,500 areas currently designated under the act, approximately 189 areas will initially be affected by the amendment to the extent that they will now become eligible for the business development assistance authorized by title II of the act.

Section 3 of the bill amends the business development provisions in title II of the act to authorize additional tools to broaden the business loan authority of the Secretary.

The current law authorizes the Secretary to make direct business loans up to 65 percent of cost for the purchase and development of land and facilities including machinery and equipment to businesses located with development areas. Working capital loan guarantees are also authorized up to 90 percent of the outstanding unpaid balance of working capital loans made by private lending institutions. The working capital guarantee program, however, is limited to those applicants who have received a direct loan under this program.

With the expected increased demand for business development assistance, the committee has broadened the Secretary's authority without substantially increasing Federal funding requirements.

In order to give the Secretary more flexibility in administering this program and to encourage the use of more private money, the Secretary is authorized to guarantee loans and leases made by private lending institutions to borrowers in redevelopment areas or economic development centers up to 90 percent of the remaining unpaid balance of such

loan or rental payment under such lease. Direct loans and loan guarantees for working capital are also permitted.

The new tools, however, generally are subject to the same conditions and safeguards contained in the existing law for the loan program.

These additional tools should give the Secretary leverage to stretch the funds available for the business development program. With the use of the guarantee mechanism, only a 10 percent of actual guarantee is set aside as reserve for future defaults. Ten times as many loans can be made under the guarantee program.

For this reason, authorizations for this title are only increased annually by \$5 million to bring the total annual authorization for the business development program to \$60 million.

Mr. Chairman, in changing the criteria for designation of redevelopment areas and in expanding EDA business development loan authority to assist many of our depressed urban and rural areas, the committee also recognized that one of the most difficult problems is obtaining precise and reliable unemployment statistics for many communities and specific neighboring areas which may be suffering from extremely high levels of unemployment.

A graphic example of this kind of problem occurs in my State of New Jersey. Paterson, the third largest city in the State, together with the city of Passaic, have extraordinarily high levels of unemployment, yet until recently neither were able to participate in the EDA program because under the SMSA formula the counties of Passaic and Bergen are statistically bulked together. The average rate of unemployment for 1973 for the SMSA district of Passaic and Bergen Counties is officially recorded at 6.5 percent. For the same period, the rate of unemployment for the city of Paterson and the city of Passaic was well over 9 percent.

During the past several months it has come to my attention that local and State government officials have severely challenged the adequacy of unemployment statistics currently available for the administration of the Public Works and Economic Development Act. This is an issue that cannot be ignored particularly when we consider the critical role unemployment statistics assume in the allocation of our economic development resources.

In particular, the recent changes adopted by the U.S. Bureau of Labor Statistics—BLS—in its statistical procedures for estimating State and local unemployment have raised many questions about the Federal Government's capacity to produce local labor market statistics sufficiently accurate and reliable to ensure that EDA redevelopment assistance will be allocated equitably. These new BLS procedures, which in some States and areas currently depend heavily on data obtained by surveying small numbers of households, have been widely protested and are currently being challenged by the State of New Jersey in Federal courts.

Mr. Chairman, these protests across

the Nation cannot be overlooked, particularly when they are heard from persons knowledgeable about economic conditions in their local area. Many State government officials feel that the new BLS procedures have been instituted abruptly, and without sufficient testing and evaluation.

The new methods are designed to provide more accurate local data that are comparable from State to State and are consistent with the national unemployment estimate. In short, the new methods are designed to insure that unemployment means the same thing and is measured the same way in Miami and Newark, and in Washington and Los Angeles. These new BLS procedures have two major impacts on EDA's program for small labor areas. First, the rate of unemployment is defined as the number of unemployed persons as a percentage of the resident labor force, even though they may have been employed in another jurisdiction. Second, the Labor Department is utilizing current population survey statistics to adjust State unemployment estimates to insure that consistent methodologies for estimating unemployment rates are followed among all State employment security agencies.

In recognition of the current debate over unemployment estimating methodologies among the States and the BLS, the committee recommended in its report accompanying H.R. 14883, that a careful review and evaluation of the new BLS procedures be conducted by representatives of Federal, State and local government statistical agencies to insure that a reliable system for producing accurate unemployment statistics for local labor market areas is achieved.

Mr. Chairman, it is this committee's intent that no labor market area be denied redevelopment assistance because of the arbitrary substitution of the new current population survey methods for traditional employment security agency procedures in developing estimates on the level of unemployment. The committee does feel, however, that the estimates of the size of the labor force used in computing unemployment rates should be adjusted to count employed workers only once and according to where they live rather than where they work. The committee, therefore, endorses the use of the BLS concept of resident labor force in the computation of unemployment rates for the purposes of H.R. 14883. In addition, H.R. 14883 extends the moratorium on the redesignation of redevelopment areas so that no area presently designated to receive EDA assistance will be redesignated due to changes in unemployment statistics.

Mr. HAMMERSCHMIDT. Mr. Chairman, I wish to yield time to one of our colleagues, a gentleman who is not a member of our committee but a Member who has a deep interest in the activities of the Economic Development Administration as it applies to the new title which was put in recently by Congress in the disaster legislation. The gentleman has, of course, an interest in this, inasmuch as it relates to disaster relief to be provided for his district in the State of Ohio.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I want to add my support for the basic intent of H.R. 14883, the Extension of the Public Works and Economic Development Act of 1965, to provide the authorization for EDA programs for another 2 years.

This legislation is of particular interest to me inasmuch as it has the provision for immediate assistance for two areas within my District: tornado-devastated Xenia, Ohio, and Champaign County. Both areas qualify for funding under the public works title I category, with Champaign County having already made use of the public works improvement plan by the construction of a town hall in Mechanicsburg. Moreover, Xenia, as a result of the April 3 tornado, has been declared by the Department of Commerce as a redevelopment area and is, therefore, eligible for a full range of EDA benefits under several titles of the bill.

While I am pleased with the assistance to my home county, Champaign County, as a result of high and persistent unemployment, my major concern at this point relates to Xenia and the vital assistance to be rendered that city in its reconstruction efforts through the implementation of current EDA programs. The primary function of EDA is the long-range economic development of areas with severe unemployment and low family income problems. It aids in the development of public facilities and private enterprise to help create new, permanent jobs. The EDA program includes public works grants and loans; business loans for industrial and commercial facilities; guarantees for private working capital loans; and technical, planning and research assistance for areas designated as redevelopment areas by the Department of Commerce. And nowhere in this country today is the need for EDA assistance greater than in Xenia, Ohio, a suburban city of almost 30,000.

The need for EDA assistance in Xenia, is based on the many problems that Xenia faces. Of the total businesses in the community, over half were destroyed or seriously damaged—118 were demolished, with an additional 41 damaged to a point requiring relocation and temporary assistance. The total number of persons filing for emergency unemployment as a result of job loss caused by the tornado was 1,335 out of a total work force of 4,100 in Xenia—almost one-third of the normal employment lost. Surveys also reveal that another 2,150 jobs were lost, at least temporarily. Finally, a total of 12 industries will require major rehabilitation or complete relocation due to tornado damage.

All too often it must seem to the taxpayer that the Federal programs his tax dollars support have little direct, positive effect. In the case of Xenia and its citizens, the economic development programs which we are considering extending would have a direct effect on the city and its recovery, and could provide substantial assistance to this end.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support of this legislation. I wish to commend the committee for the outstanding job which they have done in bringing this legislation to us.

Mr. Chairman, I want to advise my distinguished colleagues of my strong support of H.R. 14883, the Public Works and Economic Development Act extension. This bill, which would extend the EDA programs for 2 years until June 30, 1977, includes an authorization of \$150 million in each fiscal year 1975 and fiscal year 1976.

It seems to me that, with the ever-increasing economic setbacks in certain regions of the country, including the New England region, the extraordinary accomplishments of the Economic Development Administration merit an increase in funding. Such an increase in funding would aid us in beginning to attack the enormous problems of revitalizing our economy.

I say this bearing in mind the present economic conditions in New England and my own 11th District in Massachusetts. In recent decades New England and the 11th District have experienced the exodus and/or decline of two major industries: textiles and shoes. The closing of several Government installations, along with the decline of these industries, has put thousands of people out of work. The benefits of the Economic Development Administration are sorely needed to rectify this situation, particularly in my own district.

During the past months, Boston, Quincy, and Brockton, Mass., have received substantial funds from EDA to assist these areas in revitalizing their economies. Such funds will support projects such as the development of neighborhood work centers, encourage new businesses in those areas, help to develop tourism, and support the development of industrial parks. I am certain that these measures, supported by the Economic Development Administration, will be of great assistance in easing the economic conditions of Boston, Quincy and Brockton.

I believe that through sufficient and long-range funding of the Economic Development Administration, we will best begin the task of bringing our economy to the high level that it is in the best interest of the United States to maintain.

I ask my colleagues to join me in support of this legislation. We must work together to provide for the continuation of the vital work of the Economic Development Administration. We simply cannot afford to do less.

Mr. WRIGHT. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, it is probably safe to say that Members of Congress for years have viewed economic development as a rural program, and indeed it has been a very significant program for rural America. But, as Mr. HAMMERSCHMIDT has pointed out, it has also been of significant benefit in alleviating the serious unemployment problems in many inner city areas. I think

that those of us who represent urban areas are very grateful for the excellent work of this committee, of Mr. HAMMERSCHMIDT and Mr. HARSHA and others, as well as those on the Democratic side for the bill the committee has reported. We are gratified, too, that the committee and the Economic Development Administration have recognized this program as one which can serve both rural and urban areas in their somewhat differing approaches to a common and very important problem—unemployment.

The fact of the matter is that since this program has been in effect, it has been of significant help to the economy of New York City. For example, the Federal investment of \$10 million in public works funds, buttressed by a combination of loans and loan guarantees, following the closing of the Brooklyn Navy Yard, has already created 5,000 meaningful and stable jobs where they are needed most: in the Bedford Stuyvesant, Williamsburg, and Fort Greene areas which surround the yard.

Federal economic development funds are now being used to transform a 250,000 square foot multistory factory structure, located in one of New York City's poverty impacted communities, into a vertical industrial park housing five or more companies which will provide good jobs for an estimated 500 men and women.

In the South Bronx, one-fourth of the work force is presently unemployed or underemployed. U.S. economic development technical assistance funds have served as seed crystal to create what is today a vigorous and effective Overall Economic Development Corporation. Each of the communities which make up New York City's 8 million total population has its own local business districts, and its own opportunities for development of manpower, industry and commerce.

A third example of the kind of creative redevelopment spurred by the U.S. Economic Development program: the lower East Side, a historic transfer point for minorities into the mainstream of America's economic system, was designated as an Economic Development area. With assistance of Public Works funding, a new health center will be created. Here, 135 local residents will be trained for paramedical careers. They will help provide much-needed health care for a neighborhood whose lack of facilities and professionals contribute significantly to its economic problems. These examples have implications reaching far beyond the boundaries of New York City.

The local Economic Development Corporation develops training programs, makes the community appearance more inviting to business, encourages the initiative of local businesses, keeps existing firms in the area and attracts new firms. Financial institutions, which heretofore had been less than enthusiastic about the South Bronx, have now become actively involved in its economic growth. Neighborhood banks and merchant groups are raising matching funds for

Federal grants in aid. This program is new and it is beginning to show impressive results. This is how confidence and jobs begin to remedy poverty.

In order to provide more flexibility in administering this program and to encourage the use of more private money, the Secretary is provided, in this bill, with greater flexibility in the type of financial assistance that can be offered. In addition to the existing authority to guarantee working capital loans in selected cases, the new section 202(a)(2) provides for guaranteeing working capital loans and for granting working capital loans for industrial and commercial usage in "redevelopment areas" or "economic development centers." It also provides authority for guaranteeing rental payments of leases up to 90 percent of the remaining rental payments. This type of assistance should prove invaluable in increasing the availability of EDA programs to urban areas these areas must rely, more than the rural ones, on business and commercial type projects.

Among the present EDA programs, several have been more readily utilized by newer less-urbanized communities.

This assistance—business development loans and guarantees, planning and technical assistance—will be made available to the so-called title I redevelopment areas when this bill is enacted into law. This is a very worthwhile—and clearly justified—amendment.

The lease guarantee assistance should be particularly helpful in the older urban centers where there are sound, vacant buildings. In contrast with rural areas, land is not as readily available for purchase or it may be prohibitively expensive. The lease guarantees will be a practical tool to assist new industry in these areas—particularly where local development corporations are able to acquire buildings in feasible locations for new businesses that can provide jobs in the neighborhoods that need them the most. In addition to broadening the scope of economic development programs, the lease guarantees should prove invaluable in revitalizing economically distressed sections of our inner cities. It is hoped that full advantage will be taken of the new provision for lease guarantees and that this benefit will be made available, as well, to multitenant industrial facilities. It would be a great boon to our urban ghettos if we could stimulate new types of facilities for our inner city neighborhoods, such as shopping centers or urban industrial parks, similar to those spreading like weeds in our suburban countryside.

This will be a significant help to many places throughout the country. The loan and lease guarantee provisions will give the Secretary leverage to be able to stretch the funds available for the business development programs.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman

from New Hampshire (Mr. CLEVELAND), a member of the committee.

Mr. CLEVELAND. Mr. Chairman, I thank the gentleman from Arkansas for yielding me this additional time. There is one bit of legislative history that I would like to establish now. I will address the gentleman from New Jersey (Mr. ROE), who, I believe, is knowledgeable about this section of the bill.

Under section 8 of the bill there is established a title IX. In the committee report on page 6, there is described some of the examples of the structural economic changes which cause the type of major adjustment problems that we hope to attack through the provisions of this new section, for example, the closing of a Federal installation, and so forth.

Without in any way diminishing that list, and it is not meant to be an exclusive list, I would like to refresh the memory of the gentleman from New Jersey.

During the committee discussion of this particular section of the bill, we did have some discussion about the type of hardship that is caused in some ski resort areas of the country. Situations where you had not only one bad winter, but where they have had long and prolonged periods of bad winters, 2 and 3 years of poor snowfall, for example. We also had statistics before the committee as to the large amount of employment that was involved.

In my own State, for example, this would be approximately 2,500.

So I wanted to establish as a matter of legislative intent and history that under title IX it will be possible for the grant to be made to a State, and the State in turn could take that money and use it as a revolving fund to make emergency loans to the areas such as ours in the district of the gentleman from New Jersey and my own district; areas that have been visited with long and protracted periods of adverse weather conditions.

Would the gentleman from New Jersey respond to that?

Mr. ROE. If the gentleman will yield, I will be glad to respond.

The gentleman from New Hampshire is talking about title IX, and it is my understanding that the Secretary will have broad powers where there has been such an economic dislocation so as to cause heavy unemployment, or to cause the economy to be in a downward direction, that the Secretary has the prerogative under title IX.

The recollection of the gentleman from New Hampshire is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAMMERSCHMIDT. I yield 1 additional minute to the gentleman from New Hampshire.

Mr. CLEVELAND. I thank the gentleman for yielding me the additional time.

Mr. Chairman, I just wanted to be sure that we are referring to the pilot programs under Title IX.

Mr. ROE. Yes.

Mr. CLEVELAND. And under the pilot program a grant could be made to a State, and if the other requirements were met this could be used as a revolv-

ing fund to make loans to ski areas in trouble and of course not just such areas. This is particularly important, because some of the loans made in a State could then be outside of redevelopment areas, it could thus be anywhere in the State.

Mr. ROE. That is my understanding. I believe the gentleman is correct.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, I hope the gentleman from New Hampshire (Mr. CLEVELAND) and the gentleman from New Jersey (Mr. ROE) will listen to what I have to say, because I believe the point that was just under discussion is an important one.

I, too, have read the paragraph at the top of page 5 of the committee report. Let me just ask the members of the committee. Is it really their intention to use the taxpayers' money to subsidize an industry because it has not snowed enough to keep that industry going? Am I right on that?

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

Mr. DU PONT. I yield to the gentleman from New Hampshire.

Mr. CLEVELAND. I thank the gentleman for yielding.

That is our intention. I would like to say this is our intention under the working capital loan provision. I might say to the gentleman, and I can only speak with authority for my own district, that in my own district this particular type of industry supports more than 2,500 people and is the economic backbone of certain areas, and these are the areas that this legislation is specifically designed to help. This is the type of area that is sometimes in the southern part of the Appalachian Mountains referred to as Appalachia. It is a way to get jobs and an economic base into that type of an area and on a year-round basis. That is specifically our intent.

Mr. DU PONT. Mr. Chairman, I am sorry that we have come to the point of subsidizing people because it is not snowing.

Mr. CLEVELAND. Will the gentleman yield further?

Mr. DU PONT. No, I will not yield further.

Mr. CLEVELAND. It is not a subsidy; it is a loan.

Mr. DU PONT. I understand that, but it is still money being paid by the taxpayer.

Mr. Chairman, I should like to call to the attention of the Committee the problem of the district I represent. As many of my colleagues probably know who go to Rehoboth Beach in the summertime, we have a beautiful area. But we have had 8 straight weeks of rain. The business in Rehoboth Beach is terrible. Snowcone sales are off substantially. Sun tan lotion sales are down because there is no sun. The druggists are suffering. There has not been a bikini bathing suit sold in Rehoboth Beach yet this season. The clothing merchants are having trouble making ends meet.

To some extent that is offset by those stores who sell raincoats, because more raincoats are being purchased. Never-

theless, if raincoat sales are up, and bikini sales are down, there is a dislocation in the economy of the area, and there is a shifting pattern of income from one segment of the economy to another.

I would say to the gentleman from New Hampshire that if it is appropriate for New Hampshire to get relief because it is not snowing enough, it is appropriate for Delaware to get relief because it is not sunny enough.

I would ask that it be made part of the legislative history that it is the Committee's intent to make Delaware benefit from the same provisions as New Hampshire does.

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

Mr. DU PONT. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

I think to the extent that the community in Delaware would qualify under the meaning of the law as a depressed area, to the extent that the climate contributes to the downfall of an industry, I might say if the gentleman represents an area where there are no bikinis being worn and everybody is going around in raincoats, that has got to be a depressing area, whether it is depressed or not.

Mr. DU PONT. The most depressing area of all is this bill, which pays people with taxpayers dollars because it is not snowing enough. I appreciate the gentleman's confirming that merchants in Rehoboth Beach are going to be eligible for the same kind of loans as ski tow operators in New Hampshire.

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

Mr. WRIGHT. Mr. Chairman, at this point I should like to yield 5 minutes to the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Chairman, I wish to voice my strong support for the economic development bill we have before us today. This bill extends the current public works and economic development programs for 2 years and authorizes \$510 million for each of the next 2 fiscal years.

These programs have, since their establishment in 1965, contributed greatly to the balanced economic development of areas with high structural unemployment and demonstrated need. The Public Works Subcommittee on Economic Development, of which I am a member, has heard testimony this spring from a wide range of witnesses—including Governors, mayors, Federal, State and local officials, and representatives from Indian tribes—almost uniformly in praise of the purposes of these programs and in support of their extension.

I believe the broad support of this bill lies in the fact that approved projects are designed to attack the roots of unemployment through positive industrial development and job creation, rather than through lateral income transfer programs. The importance of these EDA programs can be demonstrated by the success of the Economic Resources Corporation in the development of the Watts Industrial Park in Los Angeles.

Established with an initial land acquisition grant from OEO in 1969, ERC has sought to create jobs and promote business opportunities for the citizens of central and southcentral Los Angeles through a cooperative partnership of public and private resources. Today ERC has acquired and is developing 55 acres of industrial and service-oriented facilities for major job-producing industries and for small minority-owned businesses.

Financed with a \$3.8 million program amount of OEO funds, the Watts Industrial Park is today 70 percent complete with facilities occupied by 22 businesses employing more than 1,200 persons. Among the firms currently operating include the following:

First, Lockheed Aircraft, employs 275 persons;

Second, Image Corp., an electronic circuit board manufacturing company employing 150 persons;

Third, Watts Manufacturing, Inc., produces truck seats for General Motors and missile containers for the Department of Defense, employs 375 persons; and

Fourth, Dyna Manufacturing, a division of Familiar Corp. producing kitchen range hoods, gas and electric fireplaces, and indoor-outdoor waterfalls. Currently employs 350 persons and seasonally employs up to 600 persons.

ERC has also been successful in encouraging the development of small black-owned businesses. This both positively affects the level of black ownership in the central city and increases the stakes that all blacks have in their community.

But the important fact is this: Where once on the 55 acre site of the Watts Industrial Park there were only 15-20 jobs, there are now over 1,200. Where once there were few alternatives to welfare for the structurally unemployed, there is now a center for useful and productive employment. Where once there were few opportunities for enterprising black businessmen, there are now modern industrial facilities and there are soon to be the necessary support services for the area's increasing number of black entrepreneurs.

Together with a planned community services center and a proposed child care center, the Watts Industrial Park represents a significant involvement of private enterprise and the Federal Government in the economic redevelopment of southcentral Los Angeles. In addition to providing desperately needed jobs and promoting locally owned businesses, this project has had far-reaching effects beyond the development of the industrial park itself. The financial investment represented by this project has and is leading to broad improvements throughout the surrounding community, including improvements in housing, child-care centers, streets and street lighting, public parks and landscaping. This project is a good example of the impact that job creation has on a community as a whole.

But for all the success and all the economic gains made by the ERC, the sad truth remains that the problems of southcentral Los Angeles are beyond the scope and solution of any one single

project or program. The unemployment rate for the area has always been more than double that of the national average. But aggravated by the energy crisis, the closing of nearby military facilities, and the general downward turn in the area's defense industries, the unemployment rate has skyrocketed to almost 20 percent in the last year.

This fact underscores the need for the continuance of programs such as those that led to the development of the Watts Industrial Park; simply, we need more projects like this. It also underscores the need for new approaches to the problem of unemployment created or exacerbated by severe economic dislocation.

Title IX of this bill is a particularly innovative feature which authorizes the Secretary of Commerce to establish demonstration programs to meet unemployment resulting from such economic dislocations. It is intended that title IX assistance will focus on reducing hardships to the individuals involved, including efforts to locate alternative employment in the same community, to provide education and retraining, and to secure unemployment compensation. These funds can be used anywhere in the country, including parts of cities such as special impact areas where additional Federal assistance might prevent or lessen economic hardships before they actually occur. It is not intended that this assistance duplicate any of the assistance now authorized nor affect assistance that may now be received under the act.

Supplementary to this, it is essential that areas marked by high unemployment have adequate resources to train unskilled workers and to retrain others whose skills have become obsolete or require substantial upgrading. The proximity of a pool of trained manpower is a consideration clearly as important as adequate physical facilities and nearby services when an industry or company decides to locate in any given area.

I am pleased to note that the Economic Development Administration has a strong record in providing assistance for the construction of vocational-technical schools for precisely the above purpose. The Compton Unified School District has applied for an EDA grant to construct that area's only vocational-technical school; this project is vital to provide the necessary trained manpower to complement and to continue the economic regeneration now undergoing the central and southcentral sectors of Los Angeles. I am hopeful that this project will soon be approved in order to maintain the progress that has already been made.

#### SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE DEMONSTRATION PROGRAM

Mr. Chairman, section 8 of H.R. 14883 adds a new title IX to this bill which provides authority to the Secretary of Commerce to establish a demonstration program to evaluate and test new approaches to economic development and to assist in meeting special needs arising from actual or threatened severe unemployment from existing or expected economic dislocation. This title has been

added to give the Secretary of Commerce an opportunity to demonstrate the effectiveness of proposals advanced by the administration in their February 1, 1974, report to Congress proposing an economic adjustment program.

In the past, the Public Works and Economic Development Act programs have been directed only at eligible areas already suffering economic distress. Title IX funds can be used anywhere in the country, including parts of cities such as special impact areas, where Federal assistance can help prevent economic hardships before they occur rather than having to concentrate on lessening hardships after the areas have become depressed.

The new title IX is our first attempt to prevent economic hardship rather than trying to correct the problems after they have already become critical.

To the extent that structural changes can be predicted or identified, it may be possible to take early action to assist the areas or regions to adjust to alternative economic activities. Early action could have three principal advantages: First, reduce the hardship for the individuals involved; second, improve the chances for successful adjustment, if it can begin before the best human and physical resources are dispersed; and third, reduce the burden on the economy of people who are unable to obtain productive employment.

It should be recognized that it will not be feasible to predict or identify all major adjustment problems in time to prevent major dislocations. But many can be identified in time to limit the dislocations if early adjustment actions are taken.

The new title IX would serve to complement, not substitute for, the existing EDA programs. It is not intended to duplicate any of the assistance now authorized in the current act nor affect assistance that may now be received under the act.

Testimony before the committee clearly showed that there is a great deal of uncertainty about the ability of State and local government to identify future economic changes, predict unemployment, make plans and then take necessary steps needed to assist an area adjust to alternative economic activities.

This is the reason why this is clearly a demonstration program—with clear requirements for community-based planning and careful evaluation. We want to encourage innovation and provide the community with a wide range of tools to meet the peculiar needs of a particular adjustment problem. It will permit them to provide direct incentives or assistance to private firms or workers, as well as indirect assistance in the form of public facilities. It will permit them to make a 100-percent grant for a particular project when that is necessary, or to leverage private resources through participation in or guarantees of private loans.

There are many adjustment problems which cannot be dealt with through the indirect assistance provided by public facilities. For example, there may be areas undergoing major structural

changes which have completely adequate public facilities, but which need to provide incentives or assistance to the private sector to stimulate alternative or expanded employment opportunities. States and substate organizations also should have the flexibility to change the form of assistance as the economic adjustment efforts progress. Relatively more funds may be needed for planning and public facilities in the earlier stages, and relatively more incentives to business may be needed in later stages.

This kind of approach should encourage new, bold steps to find ways to realize the benefits that result from early identification of problem areas, sound economic adjustment planning and early action to reduce hardship for the individuals involved. This approach should substantially improve the chances for successful adjustment before resources are dispersed and the area becomes severely economically depressed.

Examples of structural economic changes which cause the type of major adjustment problems that can be attacked by this economic adjustment demonstration program are plant closings and job losses caused by compliance with environmental requirements such as the potential closing of Reserve Mining Co. in Minnesota, cited in the committee report and closing of Federal installations—particularly defense bases.

It is intended that the title IX assistance will focus on reducing hardships to the individuals involved. As the administration pointed out in their February 1, 1974, report to Congress:

The Federal Government has accepted responsibilities to try and minimize the hardships for individuals resulting from changes in economic conditions beyond the control of the individuals. This includes efforts to locate alternative employment quickly in the same community, retraining or education, and unemployment compensation.

Testimony before the committee pointed out the difficulty of developing specific national requirements for a demonstration program such as this that must be flexible enough to meet widely varying local conditions in rural areas and the biggest cities. In any case, plans for demonstration projects should, of course, basically reflect the views of local officials and the individuals who will be most directly affected.

Mr. Chairman, with the conflicting economic forecasts that we are faced with today, I urge the broadest possible support for this program.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. BAKER), a member of the committee.

Mr. BAKER. Mr. Chairman, I thank the gentleman from Arkansas for yielding and I rise in support of this legislation, H.R. 14883.

Mr. Chairman, I heartily support the Economic Development Act concept of producing ongoing jobs rather than performing a function of welfare, so to speak. There are emergency provisions

which have served the public interest with substantial results.

However, I like to think about the Government joining hands with private industry, with private business and making jobs which will be continuing week to week and month to month. In one of my counties, in the small town of Spring City, Tenn., a plant has been the beneficiary of an Economic Development Administration loan and a grant for water treatment which has enabled that plant to employ over 500 persons in a rather small town.

In another city of my district the Burlington Mills has decided to close down a plant which has been employing 1,000 to 1,200 individuals. There is a possibility of a buyer which with the assistance of the Economic Development Administration might purchase this plant and make a profitable enterprise which will retain ongoing jobs for 1,000 or more individuals in that small county.

Where expertise and manpower and need exist with the absence of financial strength, I feel EDA offers an excellent opportunity for enterprises to be established providing employment in many areas of need. I support this legislation wholeheartedly.

Mr. HAMMERSCHMIDT. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I know well the value of the Economic Development Administration, and the regional commissions aided by grants and technical assistance through title IV of the Economic Development Act. I especially know how the Upper Great Lake Regional Commission, serving Michigan, Minnesota, and Wisconsin, has benefited northern Michigan and its economy.

EDA and UGLRC have proved invaluable in establishing programs and providing incentives for individual businesses and large industries to locate in northern Michigan which thereby has helped to alleviate some of the high unemployment in the area. The transportation, tourist, and forestry industries are just three that have been given tremendous assistance and which, in turn, have been able to provide many needed jobs.

To demonstrate the value of the UGLRC to the tri-state area, the Washington office has invested over \$23 million in the region since its inception in 1967. It is estimated that this investment has stimulated projects worth in excess of \$144 million—over a 500-percent rate of return. To some of my colleagues representing affluent urban and suburban districts, this amount of money may not sound too terribly impressive, but to me, representing a district which in places has over a 12-percent rate of unemployment, it can be looked at as a gift from the Gods.

I think it is also important that we follow the committee's recommendations and extend EDA for the 2-year period. Should we eventually decide that the problems of unemployment and underdevelopment can be dealt with more effectively by an alternative approach, as

some have suggested, such proposals demand extensive investigation by the Congress to determine their relative worthiness. One year would hardly be sufficient for an indepth study, and in my opinion, 2 years would be necessary at a minimum.

We must also realize that many of the programs initiated by EDA and the regional commissions are of a long-range nature. They need more than 1 year to be fully developed and fully implemented, and it would be irresponsible action on our part to retain agencies and commissions but refuse to give them the ability to function effectively.

The citizens and economies of areas such as northern Michigan have benefited greatly by programs initiated and sustained through EDA. It is right that the Congress recognize these benefits by extending the administration for the necessary 2-year period. The \$1.02 billion herein authorized should bring billions of dollars more into the industrially underdeveloped areas served. I urge the Congress to support these programs and allow them to continue their good work.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO of Wyoming. Mr. Chairman, I rise today in support of the legislation before this body to amend and extend the Public Works and Economic Development Act of 1965. Enactment of this legislation will insure the continuation of the many worthwhile programs authorized by the act and developed and administered by the Economic Development Administration.

I would like to speak particularly in support of title V Regional Economic Development Commissions and the EDA Indian assistance program.

As the economies of the 50 States become more closely knit and intertwined, interstate problems are growing in both scope and magnitude. Officials at the State and local level are increasingly finding new problems, interests, and areas of activities that cross State boundaries.

States once resorted to interstate compacts to resolve these problems. However, the frequency of jurisdictional problems now dictates the necessity for a ready-made approach to such problems.

The title V Regional Commissions provide such a ready-made approach.

Mr. Chairman, for the last 2 years, Wyoming has participated in the Old West Regional Commission. I would like to cite some of the areas in which we have found interstate action through the Commission to offer more effective recourse than individual State action. Tourism is one of the key areas; international trade another. Freight rates have also proved to be a regional problem as have education and health care.

An area of principal concern is the rapidly developing coal situation in the States of Wyoming, Montana, and North Dakota. Already, State and local officials find themselves besieged by proposals, decisions, and requirements for which

they are not accustomed or prepared. The necessary expertise is often lacking.

Yet, the Commission approach has already shown great promise in circumventing these problems and avoiding what otherwise would be a very difficult situation. I am happy to say that the Congress has recognized this function. Mr. Chairman, in its fiscal year 1974 budget wherein it appropriated \$2 million for Commission activities specifically directed at helping the States comprising the Old West Regional Commission absorb the socioeconomic impacts which coal development is bringing down upon them.

I have mentioned three States and the actions they are taking in confronting the problems of coal mining and processing, but to better illustrate the regional nature of the problem, one needs only to consider the important side effects that development will have upon two sister States—Nebraska and South Dakota—though they will not be directly involved in actual production.

The development of coal in the region will have a significant impact on these two nonproducing States. Because of their proximity to the actual coal-producing region, the States will experience industrial and economic changes in the years ahead.

So you can see, Mr. Chairman, the States comprising the Old West Region have many legitimate regional problems that are best solved by a Commission approach. So strongly do the Governors of these States feel about the Commission approach, that recently they recommended during hearings on this bill that the Regional Economic Commissions be continued as they now operate.

The Old West Regional Commission is new, next to the newest of all the commissions. But already its program is rapidly taking shape and we are now beginning to see encouraging results. For the many problems I have mentioned, a permanent interstate authority is necessary to administer funds and direct programs and planning. The title V Regional Commissions are excellent mechanisms to fulfill these functions.

In regard to the EDA Indian assistance program, I recently became aware of a situation which gave me cause for concern.

The administration has proposed the discontinuation of the Economic Development Administration's Indian assistance program and its transfer, through legislation, to the Bureau of Indian Affairs as a block grant program. The proposal is embodied in H.R. 9011, the so-called Indian Tribal Government Grant Act.

This bill is currently pending before the Committee on Interior and Insular Affairs, and while I will not discuss the merits of the bill, I must comment on what I consider to be a premature decision on the part of the administration to terminate the EDA Indian assistance program by omitting provisions for Indian assistance within EDA from its

original fiscal year 1975 budget request. This is especially so now that early passage of the Indian Tribal Government Grant Act appears improbable.

Mr. Chairman, the Economic Development Administration has been very effective in developing and administering economic development programs for the many Indian tribes. In numerous ways, in the development of industrial parks on reservations, in the development of tourism and public recreation projects on reservations, in badly needed training and demonstration projects, and in the provision of funds for planning by the tribes, has the EDA shown imagination in its attempt to stimulate economic growth on reservations. Without a doubt, the results of these efforts will show for years to come.

More importantly is the approach taken by the Economic Development Administration to Indian economic development. Their approach is predicated on the participation of Indian people in solving their own problems, the result being the significant development of technical expertise within the Indian community itself.

This is not to say that the EDA is without fault. However, for the most part, EDA has proven its effectiveness in dealing with economic development on Indian reservations. Its popularity within the Indian community has repeatedly been brought out in testimony and correspondence from the tribes. Not one letter has crossed my desk supporting the discontinuation of this program.

Mr. Chairman, any proposal to alter or replace this highly successful program would, necessarily, require only the most careful consideration by the Congress.

A transfer as proposed in the Tribal Government Grant Act is, at best, premature. It is doubtful whether the Bureau of Indian Affairs is capable of providing the necessary information and expertise to the Indians to assure their successful economic development. Indeed, the loss of technical expertise that has been developed through the years in the Economic Development Administration would be immeasurable.

The Indian assistance program of EDA must be continued until adequate time and consideration is given to any alternative proposals. Likewise, I strongly support the title V Regional Commissions, and the bill before us now, H.R. 14883. I have no doubt that passage of this bill will continue these proven worthwhile programs and I support and encourage passage.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I am pleased to rise in support of H.R. 14883, the Public Works and Economic Development Act Amendments of 1974.

I have always been a supporter of economic development programs and my interest in them has intensified as the economic problems of my district grew, spurred by soaring prices, rising unemployment, uncertain economic outlook,

and a lessening of Federal commitment to aid our centers of poverty. When the administration first proposed the original Economic Adjustment Act of 1974, I was dismayed as the major thrust of that measure was to nullify the role of local participation in economic development planning and to remove economic development programs from the oversight of Congress. To make matters worse, the legislation contained no mandate for continued support of ongoing local programs and I feared its consequences for my district and the city of New York. Fortunately the committee had the foresight to reject this ill-conceived attempt to restructure the program and the bill before us, by extending intact the established programs of EDA, assures the participation of local groups and community representatives. It also continues congressional oversight for the programs.

Throughout the years my district has substantially benefited from title I special impact programs, as well as the Public Works impact program designed to have immediate effect on high unemployment. Since the South Bronx was designated as a special impact area in 1971, the local Overall Economic Development Corp. has conceived and executed several innovative programs which have increased employment opportunities, spurred local initiative, and contributed to general growth. To single out just one example, I would like to mention a recently completed project.

Funded by a \$500,000 Federal grant, a program to install high intensity lights distributed such fixtures along a 13-mile long route throughout my district. Forty workers, a large percentage of whom were of minority background, benefited by direct employment on the site. Since all material utilized was locally procured and produced, there were substantial indirect benefits to other businesses. Moreover, the added lights have brought increased security to residents and it is hoped that they will substantially aid in reducing the incidence of crime.

Generally speaking, EDA programs, throughout their operation, have been outstanding examples of effective Federal-local cooperation. The changes to be effected by this bill in the existing law should serve to further enhance their impact. Striking section 102, the redevelopment area criteria for title I designation, and transferring it to title IV as a new paragraph, makes uniform the assistance that is available to all areas designated under the act. Thus, areas selected under the redevelopment criteria, which formerly could avail themselves of such title II programs as direct loans and guarantees of direct and working capital loans and lease payments only by submitting a separate application for participation under that title, will instead enjoy eligibility upon designation. The new section 302, authorizing Federal grants for economic development planning and making it possible for the Secretary to extend technical assistance to local governments and development districts should also prove to be a valuable tool.

The Committee on Public Works, in my estimation, has done an excellent job. This is a good bill, well-deserving of support. I hope that the House will see fit to approve it overwhelmingly.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, I rise in full support of H.R. 14883, the Economic Development Act of 1974. This act was brought in in 1965 and has been continued ever since. The time is upon us now, the act will expire on June 30 unless the bill is passed and signed into law.

I just want to mention a special group that is taken care of in this bill and have done very well for the past 2 years. The American Indian has used the Economic Development Act very well.

Mr. Chairman, since 1966 American Indians have benefited directly and substantially as a result of programs authorized by the Public Works and Economic Development Act of 1965, and developed and administered by the Economic Development Administration.

These programs have been directly responsible for economic development on Indian reservations by providing planning and technical assistance funds as well as construction funds for a variety of public works programs. The Economic Development Administration has, over the years, shown effective support and imagination in stimulating job creation and economic growth on the Indian reservations.

In short, Mr. Chairman, the Economic Development Administration has been highly successful in its Indian assistance programs and is certainly popular with the Indian community, a fact strongly corroborated in testimony by the Indian community during the hearings on this bill. Any proposal to alter or replace this successful program, then, deserves the most careful consideration by the Congress.

A year ago, legislation was introduced in the House which would establish a new program in the Bureau of Indian Affairs for providing block grants to Indian tribes for economic development assistance. This bill, H.R. 9011, the so-called Indian Tribal Government Grant Act, would transfer the EDA Indian reservation grant funding authority to the Bureau of Indian Affairs.

This was acknowledged by the administration in its fiscal year 1974 budget request, in which it requested authority to transfer during the fiscal year unobligated EDA public works funds for Indian reservations to the Department of the Interior, upon congressional enactment of the proposed Indian Tribal Government Grant Act.

Mr. Chairman, I assure you that I have given this matter the closest examination and feel strongly that, at best, such a transfer would be premature.

Testimony received from the tribes made it clear that they feel the Bureau of Indian Affairs is not capable at this time of providing the necessary informa-

tion and expertise to the Indians to assure the successful continuation of their economic development programs. For example, Mr. Chairman, the Intertribal Council of California, a statewide organization, recently received a grant from the Economic Development Administration to assist in planning the overall economic development plans for some 70 reservations within California. The difficulty of such an undertaking is not evident until one realizes that California comprises only some 78 reservations, most of which are quite small. Were a transfer of funds to take place now, it would totally disrupt the continuity of such a worthy plan.

Mr. Chairman, the Economic Development Administration's Indian assistance program must be continued until adequate time has been given for the careful review of any alternative proposal. The bill now before us, H.R. 14883, provides that time, in addition to continuing what has repeatedly proven to be a highly successful program in assisting the numerous Indian tribes to develop by themselves.

Mr. Chairman, unemployment and underemployment are critical problems in the rural areas of our country. Federal financial assistance through grants for public works and development facilities to communities and industries within these distressed areas is greatly needed to revitalize their economies, and I strongly urge support for the legislation we are considering today.

As a member of the Committee on Public Works, I have long been involved with those economic development programs authorized by the Public Works and Economic Development Act of 1965 and developed and administered by the Economic Development Administration, and feel strongly that we should move immediately to pass legislation to extend these worthy programs.

A 2-year extension of EDA programs is essential if we are to continue to bolster the economies of the many economically depressed areas of our Nation, areas that continue to lag behind the rest of the Nation. In addition, Mr. Chairman, it is necessary that the committee have adequate time to study alternative, and perhaps more efficient, ways of relieving economic hardship and unemployment in these areas.

Mr. Chairman, existing economic development legislation has had a most beneficial impact on those areas with a large concentration of low-income persons, substantial and continued unemployment, or actual or threatened unemployment as a result of the closing or curtailment of a major source of employment. The measure is not a new and untried idea. It has repeatedly proven its effectiveness in assisting many areas of the country, pulling them out of their economic depression.

In an age when change is certain, the Economic Development Administration can and has prevented, and restored, the damage caused by economic relocation and adjustment.

This legislation has proven its value

as an aid to local areas, and I urge my colleagues to join me in extending the authority of this legislation for 2 additional years. By doing so, the Members of Congress will maintain their stand in favor of the less privileged and the depressed areas of this country.

Mr. WRIGHT. Mr. Chairman, I yield such time as he may consume to a member of the committee, the gentleman from Ohio (Mr. JAMES V. STANTON).

Mr. JAMES V. STANTON. Mr. Chairman, I rise in strong support of the economic development programs outlined in the bill, especially section 202 in the loan and guarantee section involving the development of businesses and the financing and redeveloping of areas of land and facilities in industrial areas.

I would hope, though, that section 202 would be fully considered and that there would be consideration given to trade associations and labor organizations for consultation, to insure that businesses were not raided and that they were not taken from one area to another strictly for the development of one section of the country against another.

I know we have discussed this in the committee. I understand that section 202 does outline in subparagraph (1) under the section of (b) (1) that such financial assistance shall not be extended to assist establishments relocated from one area to another; but I would hope that it is the intention of the committee that labor organizations and trade associations be consulted by the Department before the business loans and grants are made, to insure there are not raids from one State to another.

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

Mr. JAMES V. STANTON. Mr. Chairman, I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Chairman, the gentleman would not be suggesting another AFL-CIO checkoff on all grants to EDA to get their approval before they got approved by the agency, would he?

Mr. JAMES V. STANTON. I would say this: I do not think we could write that into law, although I would not be particularly opposed to it myself, and I know the gentleman would probably join me in that endeavor. However, I would indicate that nobody is seeking a checkoff by labor or a checkoff by business.

Basically, what we are seeking is an understanding in the law that one community will not be pitted against another in terms of Federal dollars; taking one business from one part of the country to another.

Mr. BAKER. Mr. Chairman, I thank the gentleman.

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

Mr. JAMES V. STANTON. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, the gentleman does correctly interpret the act and the intent of the act. Obviously, it was not our purpose to raid one section of the country and proselyte industry away from that section of the country to another. The purpose of the act is to

create new enterprises in those areas where economic conditions are badly depressed.

Mr. JAMES V. STANTON. I thank the gentleman.

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

Mr. WRIGHT. Mr. Chairman, I yield 1 minute to the distinguished Democratic whip, the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Chairman, this 2-year extension and expansion of the Public Works and Economic Development Act deserves the support of the House.

This extension represents a continuation of the program which Congress created in 1965 to deal with problems of substantial and persistent unemployment, low income and outmigration of workers. EDA is aimed at fostering economic development with the creation of permanent jobs and long-lasting community benefits. Many areas of the country today badly need the opportunity offered by EDA, and the House should extend the act.

The Public Works Committee, building on the successes of the program, has revised it and added important new tools designed to deal with specific kinds of dislocations. For example, under the new authority in this bill, EDA can offer relief to communities stricken with the sudden loss of a major source of employment—a plant closing, for example, or the phasing out of a Federal installation or the consequences of a Federal fuel allocation order or an environmental protection compliance order.

The bill provides new authority for 90-percent guarantees for business development loans and for rental agreements. The latter provision, particularly, is aimed at depressed neighborhoods in major cities where commercial and office buildings stand vacant. The bill authorizes direct loans in areas where they cannot reasonably be obtained elsewhere.

A number of other improvements would be made in the EDA program generally. All eligibility criteria under the act would be concentrated under a single title; the effect of this would be to make all areas eligible for all available assistance.

The number of redevelopment areas required in any economic district would be reduced from 2 to 1. The effect of this would be to strengthen the role of economic districts. The bill would also grant greater latitude on the use of an area's redevelopment money, permitting it to be spent outside the area if the primary benefit will be returned to the area.

Finally, the bill includes \$50 million in new authority for an experimental project aimed at devising other approaches to economic development. This experimental project, under a new title IX, will give the administration the op-

portunity to test out its proposals for a block grant program.

The success of EDA to date has been outstanding. Most States, including my own State of California, have taken advantage of EDA opportunities. Overall, more than 500,000 permanent new jobs have been created. New buildings, access roads, sewer and water improvements, and other facilities have been constructed in redevelopment areas across the Nation. The economic development districts have become effective partnerships of Federal, State, and local authorities cooperating toward permanent and self-sustaining economic growth.

These are the kinds of results that merit a further vote of confidence by the House.

Since 1971, the public works improvement program has added an important new dimension to EDA. PWIP has provided special relief to areas of exceptionally high unemployment and, in so doing, has accelerated the economic development effort.

More than 35 percent of PWIP projects are of three types: preparing facilities for industrial sites and industrial parks, constructing water systems and building multipurpose community buildings. All of these are projects aimed at providing long lasting community benefits, including permanent economic development.

Other major PWIP projects have included street and road improvements, building renovations, sewer system improvements and conservation work. Other PWIP jobs have been associated with recreational facilities, jails and police stations, fire stations, educational facilities, and even harbors and airports.

The range and flexibility of this program are remarkable. All States, except one, have taken advantage of it. PWIP has the solid backing of the National Governors' Conference, the National League of Cities and Conference of Mayors, National Association of Counties, and the International City Managers Association. The AFL-CIO supports PWIP, as do the Association of General Contractors and the American Subcontractors Association.

The people who are really faced with these problems of high unemployment and economic distress support PWIP. They have seen what this program can do to alleviate these problems and to lay the groundwork for sound, long-lasting economic growth.

The House should maintain its record of support for the PWIP and the entire EDA program by passing this bill today.

Mr. WRIGHT. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, I am glad to be associated with those who are seeking the extension of the Public Works and Economic Development Act. I would like for it to be permanent instead of for a period of 2 years. We have had to fight this battle year after year to keep the program alive, and I find it difficult to understand this situation. It has been a very good program.

It is a program which encourages community participation and community en-

terprise. My district has benefited in a very definite and positive way. I know it is a good program, and I know that the same is true in many other parts of the Nation. So, I think the Congress would make a very serious mistake if it failed to insist upon the continuation of this very fine program.

Mr. Chairman, I want to express my appreciation and my commendation to the distinguished members of the Committee on Public Works who reported the bill. I think they have done a very creditable job. Also, Mr. Chairman, I think particular credit is due to my good friend, the distinguished majority whip, Jack McFALL, a long-time advocate of this program.

Mr. WRIGHT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I take this time simply to say that the public works improvement program continuation, which this bill mandates, has been an extremely effective program not only in creating useful, immediate jobs in areas of high unemployment, but also in providing the basic infrastructure necessary to attract long-range employment in private industry.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 14883 which will extend the present programs authorized under the Economic Development Act of 1965 for another 2 years.

The people of our Nation today enjoy one of the highest standards of living in the world. Per capita income is at an all-time high and our country's economy has the most advanced industrial technological base in the world.

However, in the midst of all this plenty, there are still some sections of this Nation suffering from substantial unemployment, underemployment, and economic underdevelopment. In these areas which have lagged behind the national growth patterns, economic development has often been impeded and frustrated by the inability to provide needed public facilities and services. It was to assist such depressed and impacted areas that the Economic Development Act of 1965 was designed.

In testimony before the Subcommittee on Economic Development in the past, I have cited many of the specific instances in which the programs operated under the Ozarks Regional Commission and the planning and development districts in Arkansas have raised the standards of living in the economically depressed regions of the State. Since the inception of this program, in one 12-county planning and development district alone, more than 2,014 jobs have been created and another 4,056 are projected, resulting in a total generation of 6,070 jobs.

In another 10-county area, 4,560 jobs have been supplied and another 2,030 are expected to be generated by successful projects. Each new job has cost less than \$1,000 in EDA funding to create. That is not a bad investment. The holders of these jobs are taxpaying citizens who have paid in more taxes than it cost to create these jobs.

I congratulate the committee on their decision not to tamper with obvious suc-

cess. The addition of the demonstration programs provided for in title IX as a complement to existing EDA programs rather than a substitute for them will give us a chance to evaluate new approaches to economic development without interrupting the ongoing programs which have proven so beneficial in stemming outmigration from nonmetropolitan areas and making the countryside once again an attractive and economically feasible place to live and raise a family.

Mr. GRAY. Mr. Chairman, it is essential that the House pass H.R. 14883 today to amend and extend the Public Works and Economic Development Act of 1965 for 2 additional years.

This bill, Mr. Chairman, will continue through fiscal 1976 programs that have repeatedly proven their worth in countless cities and towns throughout the Nation. Specifically, the bill authorizes annually some \$510 million to carry out such successful programs as public works grant and supplementary grant funding, the public works impact program, the public works and business development loan and guarantee program, technical assistance and research, the growth center and economic development district programs, the regional action planning commissions, and the new economic development and adjustment assistance program.

Mr. Chairman, as a cosponsor I have followed this legislation since 1965 to provide Federal assistance to those regions of the country which lagged behind in economic growth or suffered from high unemployment or underemployment. Its effectiveness has been well documented, both in testimony before the Committee on Public Works and in practice. At this time, Mr. Chairman, no comparable program is in existence to assist economically distressed areas. Thousands of new jobs have been created in Southern Illinois from EDA.

Municipal leaders and local officials across the Nation know the problems and the needs of their areas, and value the assistance EDA has been able to provide. EDA has repeatedly shown that it can work effectively with local communities in order to help create conditions to aid business growth and create jobs on the local level. Indeed, community participation and cooperation, in the context of close coordination between local, State, and Federal officials, have enabled EDA to develop innovative and constructive projects which will benefit these towns and their citizens for years to come. I could recite scores of southern Illinois projects.

Congress has long recognized the important role played by EDA, and has time and time again shown its support for the program.

Because of EDA's superb record of achievement, I urge my colleagues today to support H.R. 14883. To allow the discontinuation of such a productive program as EDA would be to penalize, perhaps permanently, those areas of the country which need the very assistance EDA provides. The Economic Development Administration has managed to successfully bridge the gap between Federal assistance and local need. It has

earned a well-deserved reputation as a program which accomplishes its aims readily and effectively. We in southern Illinois will always be grateful for this important program that has allowed us to turn relief checks into pay checks. Thank you.

Mr. MATHIAS of California. Mr. Chairman, as a proponent and cosponsor of legislation in 1973 to retain the EDA, I strongly support legislation this year which would continue the programs which have been so beneficial to States and counties throughout the Nation.

In correspondence which I have received from my congressional district, which is largely rural in nature, the EDA has been widely praised. It was the unanimous opinion of the South San Joaquin City Managers' Association that of all the agencies the cities had to work with, the Economic Development Administration has been the most efficient and the most effective from the submission of proposals, to the length of time for approval, to auditing.

I have watched the EDA bring new industry and new jobs to my district. For example, in 1969 the development of an industrial park was begun in Visalia, Calif., following an EDA grant. Subsequently, there are 16 industrial plants situated in this area, and they provide for an average employment of 1,455 people.

This represents but one of many instances when the EDA had aided projects within my district. In other years, EDA grants have provided funds for water and sewage treatment facilities; for the development of industrial parks; for the modernization of police and jail facilities; and for the construction of community centers on Indian reservations. In other words, the EDA has proven to be a beneficial source of Federal moneys.

Admittedly, EDA has its drawbacks. These, too, have been cited to me by my constituents. However, I believe that the EDA should be continued for the pluses far outweigh the minuses.

Mrs. GRASSO. Mr. Chairman, the problems of unemployment and economic distress continue to plague us and, if certain economists are to be believed, the situation may get worse before it improves.

I therefore support H.R. 14883, a bill to extend for 2 years the Public Works and Economic Development Act. The bill authorizes \$510 million for each of the next 2 fiscal years for programs to ease unemployment and provide needed public works projects throughout the Nation. Specifically, it authorizes \$200 million for public works grants, \$60 million for public works and business development loans, \$60 million for planning and assistance, \$45 million for growth centers, \$95 million for regional planning commissions, and \$50 million for special assistance programs.

Last year, the Congress passed a comparable bill which extended EDA through fiscal 1974. During that debate, I elaborated upon the contribution which EDA has made to economic development in my district. Sewers, a town hall, a public garage, and several industrial parks have all been created in Connecticut's Sixth

District with the assistance of EDA. In addition, other towns have important projects awaiting future EDA funds.

No suitable program exists to fill the void which would be created if the authorization for EDA were allowed to expire. I do not believe that we can allow this important economic program to die while so much more must be done with EDA's help to aid our cities and ease the rising level of unemployment.

I support H.R. 14883 and urge its passage by the House.

Mr. STEELE. Mr. Chairman, I rise in support of H.R. 14883, which provides for a 2-year extension of the Public Works and Economic Development Act of 1965, expands some of its existing programs, and includes a new title IX, which creates the "economic adjustment" demonstration program.

Connecticut has lost a substantial number of manufacturing jobs since 1954 and is presently suffering from above-average unemployment, with pockets of acute unemployment. It is my conviction that the Economic Development Act has an important role in helping Connecticut and its communities to reduce their unemployment rate, create more manufacturing and other job opportunities, and increase their capabilities in planning economic development.

The past operation of the Public Works and Economic Development Act has certainly justified its continued existence.

Last year, during the debate on extending the authority of the act for 1 year, I provided several examples of the act's effectiveness—that EDA's public works and business loan programs had encouraged people to stay in the small urban areas in my district rather than seek supposed opportunities in the larger cities; that EDA assistance had directly helped Norwich, Conn., create new employment and a more diversified economy; and that the Eastern Connecticut Development Council, founded with an EDA grant, had effectively assisted the economic development of the region.

During the 1-year extension of the Public Works and Economic Development Act of 1965, my district has continued to share in the programs with other districts throughout Connecticut and the Nation. The programs have helped to combat unemployment and outmigration and to diversify the economy in southeastern Connecticut, where defense employment has been more than 10 times the national average.

EDA has provided several grants under the important public works impact program. A grant of \$104,800 for a 74-acre expansion of the Norwich Industrial Park immediately created 11 construction jobs, but more importantly, it made it possible for the Power Tool Division of AEG Telefunken, a West German company, to open its first American plant. Not only will the plant create 500 jobs, but the company will no longer have to export tools to this country from abroad beginning next year. Both our labor situation and our balance of payments will therefore be improved.

Another grant of \$217,000 under the public works impact program, matched with a loan of \$400,000 from the Farmers

Home Administration to the Sprague Water Authority, prevented two textile plants from moving out, thus saving 300 jobs. Twenty-six jobs for building the project also were created.

Finally, a \$300,000 grant to the town of Vernon to refurbish the Memorial Building, an 1885 architectural landmark, prevented the razing of the building and the further deterioration of downtown Rockville.

In addition, EDA has conducted two technical assistance projects in my district. One was a \$90,000 grant to the Eastern Connecticut Development Council. The council subsequently has conducted a study of the economic impact of the Regional Rail Reorganization Act on eastern Connecticut; has persuaded the Department of Transportation not to terminate rail freight service in eastern Connecticut; and has provided technical assistance to 150 private companies.

The other technical assistance grant was for \$87,000 to the Middlesex County Development Council to coordinate development activity in 15 towns in the Middletown labor market area. The council has dealt with the issues of tourism, rail freight service, housing, and manpower training.

Finally, EDA has provided \$750,000 for the development of the Norwich marina for dredging, pier construction, and on-site sewage facilities. The project will lead to \$8 million of commercial development which will yield at least \$48,000 a year in local tax revenues.

I would also like to point out what I believe to be ameliorative changes in the act.

Section 4 of the bill as reported authorizes the Secretary to make grants to any State, city, or other political subdivision of a State or substate planning and development organizations for economic development planning. Hopefully, this will encourage the States to increase their capability for economic development and adjustment planning.

Furthermore, I am pleased that this legislation not just continues the Regional Action Planning Commissions, but expands their authority to permit the payment of administrative expenses to substate planning and development organizations. The Eastern Connecticut Development Council and the Middlesex County Development Council are certainly among the organizations which deserve this kind of support. I also believe that the regional commissions have a major role to play in fostering our economic development.

I believe that H.R. 14883 is good legislation—it permits local people and institutions to define their needs and backs up local initiative with the financial resources of the Federal Government. I urge its passage.

Mr. PERKINS. Mr. Chairman, I want to urge the House to support this bill to extend the Public Works and Economic Development Act for 2 years, because it is a bill that translates its provisions into benefits that have a direct and real meaning to the people. It is the kind of legislation that gets down into the counties and the communities, and

shows citizens that the Congress can analyze a problem—a problem such as the need for economic development to build a base for employment—and do something about it.

Back in 1965, when this act was first passed, we enacted a lot of good legislation, and this one ranks right up with the best for what it has done—and what it is capable of doing—for people. I am very glad that I was able to be associated with it then, and I am glad to be among those who are supporting its extension today.

I want to ask the House to notice some of the innovations this bill carries, to develop jobs and stronger economic bases in areas of the country which need this kind of help. When we get this bill signed into law, the Economic Development Administration will have new authority to help communities if their economic base is hurt by something like a factory being closed down suddenly. It also has new authority for 90-percent guarantees for business development loans.

The administration has sought to initiate a bloc grant concept for economic development, and the bill carries a new title 9 with \$50 million to look into the effectiveness of this approach.

I also want to mention the very important public works impact program—the section that was made part of the act in 1971, to provide at least some of the help very high unemployment areas used to get from accelerated public works.

The public works impact program is being used, when money is available, for industrial park development, water systems, and community buildings, with the objective of laying the groundwork for job creating economic development.

We want to make sure that the requirement holding 25 to 35 percent of title I grants for this program remains in the bill.

When we talk about benefits from this legislation, we are really talking about something that is hard to measure, because the indirect benefits are almost impossible to tally. We know they are there, and there in abundance, though, when we are in one of the communities which has built or improved its economic base through economic development assistance.

The bill before us today ought to receive overwhelming support.

Mr. VANDER VEEN. Mr. Chairman, I rise in support of H.R. 14883, extension of the Public Works and Economic Development Act of 1965. As a member of the Economic Development Subcommittee of the House Public Works Committee, I am particularly pleased that programs authorized by this legislation will be continued. It has been a long, hard fight but the determination of our distinguished chairman, Congressman BLATNIK, has paid off. I salute Chairman BLATNIK, Subcommittee Chairman JONES, the other members of the subcommittee and full committee, and the staff. We have a bill we can be proud of and upon which we can build in the years ahead.

My cosponsorship of this bill indicates both support for the goals of this legisla-

tion and my continuing efforts to help Michigan's Fifth Congressional District participate fully in programs and projects which will encourage long-term and sustainable economic progress.

In the next 10 years, the Grand River Valley region will need at least 20,000 new jobs. Regional unemployment has stayed above national levels. Economic stimulation and job creation which accompany and justify economic development projects are needed now and will continue to be needed in the foreseeable future.

Shortly after my election to Congress in February of this year, I joined with a number of community leaders to form an economic development task force. The focus of this effort is to encourage our own economic planning and development, and provide community input to and cooperation with regional, State, and Federal programs.

The bill provides a total of \$1.02 billion for fiscal years 1975 and 1976. The \$510 million annual expenditure of funds will be used to encourage economically disadvantaged areas to carry out development planning, to finance construction of basic public facilities that would make the area attractive to private investment, and provide special financing to private firms to encourage them to build plants and facilities in economic development areas.

Of the \$510 million, \$200 million will be used to provide grants for construction of public facilities in areas of substantial unemployment. Of this amount 25 to 35 percent must be used to provide public works jobs in areas of high unemployment. This blending of projects to create jobs in the private sector along with public service employment is a particularly effective device in restoring balanced economic growth to an area.

Sixty million dollars per year will be devoted to assisting directly in commercial development. These programs will include guaranteeing business loans up to 90 percent, guaranteeing up to 90 percent of rental payment for leases, and making direct working capital loans. This assistance will help areas losing employment because of the closing of Federal installations, or because of environmental orders resulting in plant closings and disruptions. These funds can also be used to ease the economic ill-effects of energy conservation and allocation programs.

Ninety-five million dollars per year will be used by the various regional economic development commissions to assist in economic development planning. These planning funds will help State and local government complete the planning and project applications required for Federal assistance.

Mr. Speaker, I urge the passage of this most important legislation. In the months I have been privileged to serve on the Public Works Committee I have come to appreciate more fully the importance of the type of economic planning and development envisioned in this bill. I have been impressed with the bipartisan cooperation in the committee in fashioning this important legislation. I

look forward to working with the Economic Development Administration, the regional commissions and my own area's economic development task force to see the promise of this legislation become the reality of heightened economic activity and jobs for citizens of the Fifth District.

Mr. PICKLE. Mr. Chairman, I rise in strong support of the bill to extend the Economic Development Administration for 2 more years.

I feel that EDA is one of the most successful programs to come out of the 1960's.

The program often brings the hope of economic development where there is no hope of any other governmental help. The program is also designed to put the money where it will do the most good—in those communities that need jobs. EDA has also been fair in its help. From the Indian reservations of the West to the rural communities of New England, this agency of the Commerce Department has been a positive aid. I have seen the positive good effects in my own district: water and sewage projects, paving, hospitals, scenic parks and industrial parks.

Oftentimes, when I look for help for the small communities of my district to overcome economic burdens, I find that formulas are designed for the big cities when it comes to dispersing money.

But the quality of life is just as important in our rural areas as in our big cities, and thankfully, there is an EDA to be understanding of the economic needs of all our problem economic areas.

The Southwest area office for the Economic Development Administration is located in my district's largest city, Austin, Tex.

This office is an asset to our community, and so are the many able leaders who work with the Southwest area office. So, in a way, a part of EDA is my constituency, as well as a Government agency with which I work. In both roles, I find the agency to be a good, positive factor.

I ask that the House give a strong vote of confidence to this development program.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 14883, a bill to amend the Public Works and Economic Development Act of 1965, and to extend for 2 years the Economic Development Administration, and the Regional Action Planning Commission under the Department of Commerce.

As reported, this important piece of legislation will help facilitate better Federal assistance to areas and regions suffering from high unemployment and underemployment by authorizing \$1.02 billion for fiscal year 1975 and fiscal year 1976 to enable these areas to develop the planning and financial capabilities for long-range economic improvements.

I am especially pleased with the new features to improving this important act which should greatly assist those pockets of poverty within a city which are often forgotten when assistance is given in large metropolitan areas, such as Los Angeles.

Of particular importance to the people in my district is the consolidating of all eligibility criteria under just one title—title IV—thereby making assistance uniformly available to all parts of an area. Specifically, this would provide for an area which once had only been eligible for public works grants to be also eligible for business development assistance.

This bill authorizes \$60 million per year for business development assistance in distressed areas, including several new methods of assistance, including 90 percent guaranteed loans for business development and rental payment, and making direct working capital loans.

These working capital loans should be of particular importance to parts of southern California where businessmen would be eligible when affected by, but not limited to, such factors as the closing of Federal installations, the enforcement of Federal environmental orders, and Federal energy allocations.

Also, I am pleased that the committee has stipulated that 25 to 35 percent of the funds authorized in title I be earmarked for public works impact programs—PWIP. By earmarking a specified amount in this bill for PWIP projects, we will be assured that funds should be more available for the smaller projects as municipal buildings, health facilities, cultural facilities, recreational facilities, and so forth, as well as the basic community public works projects. For these projects not only provide needed employment, as well as needed community facilities; they also enable EDA to focus its assistance on the smaller pockets of distress within the larger metropolitan areas.

Finally, this act adds a new title IX to the act which authorizes \$50 million for a demonstration program to evaluate and test new approaches to economic development and to assist in meeting specified needs arising from actual or threatened severe unemployment from existing or expected economic dislocations. These funds can be used in parts of cities such as special impact areas where it is possible that Federal assistance would prevent economic hardship before they occur rather than having to concentrate on lessening hardships after the areas have become depressed. This would include assistance to meet the special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government, and from compliance with environmental requirements that remove economic activities from a locality.

These new features should be an aid to the people in the Los Angeles harbor area who are facing the possible economic hardships resulting from the proposed closing down of Fort MacArthur; the phasing down of the Long Beach Naval complex; and the difficulties of some fish processing plants attempting to comply with stricter environmental requirements.

With the use of Federal assistance under this new title, efforts would be included to locate alternative employment

quickly in the same community, by providing retraining or education, and unemployment compensation.

As a member of the Public Works Committee, I want to commend my colleagues for the fine bipartisan approach taken to produce this important piece of legislation.

I ask that you would join me in supporting this much needed legislation in order that our communities may continue to plan and work for a better economic future.

Mr. DE LA GARZA. Mr. Chairman, I support this legislation. I have supported it since its inception. I, like many of my colleagues, supported the institution of the Economic Development Administration because we knew that the need for this type of legislation was proven beyond any shadow of a doubt throughout the United States. I certainly knew from personal experience of the need in our area of Texas. We did not know if this concept would work, you never really know when you first enact legislation, but I am here today, Mr. Chairman, attesting to the fact that it did work.

We can see the projects in my congressional district, we can see the increased employment, we can see the people working on jobs that did not exist before. This is the kind of a program we like to invest our tax dollars in, it has a high return on our investment. I commend the committee, I commend those who work and have worked for EDA for I have never found them to be anything but helpful and yet have to the utmost protected the investment of our tax dollars. South Texas is a better place economically because of EDA and we are proud of the local participation in all levels of this program. I repeat, Mr. Chairman, it is a very good program.

Mr. FRENZEL. Mr. Chairman, I shall vote against this bill, H.R. 14883, for several reasons.

In the first place, appropriations have averaged about one-fourth of authorizations for EDA since the program was begun in 1965. It seems silly to authorize over \$500 million, twice the budget, and 20 percent more than last year, especially if we do not intend to fund more than a quarter of it.

It is dangerous to authorize vast sums, to build expectations, and then rely on the Appropriations Committee to reduce the spending. We ought to begin to hold the line on authorizations as diligently as we say we do on appropriations.

It is also a little discouraging to hear that this bill pays ski resort operators when it does not snow.

I do not have any quarrel with the bill's purposes. I like job building programs. But I do not like overspending and I do not like overpromising. I shall oppose the bill.

Mr. JAMES V. STANTON. Mr. Chairman, the supplemental views in the report on H.R. 14883 questioned the inclusion of unemployment assistance payments in the plan for the economic development and adjustment demonstration program.

The purpose of this title is to create a

demonstration program to help areas adjust to structural changes in the economy before problems become so severe that there are high rates of unemployment or outmigration, or both.

This program is proposed because of the widespread recognition that most Federal assistance for economic development has been directed at areas which are already suffering from high rates of unemployment. In these cases, it is difficult to reverse the forces of decline and we hope this demonstration program will permit us to find new ways to avoid creation of distressed areas by forecasting where structural changes are taking place and where unemployment is going to occur with a goal of reducing the hardships for individuals impacted by these structural economic changes.

Examples of structural changes which can cause major adjustment problems for an area or region include:

A reduction in the availability of a critical resource, such as energy products, which requires modifications in the nature of economic activities;

Technological changes which reduce demand for labor or make a product line obsolete.

Resource depletion, which may reduce or terminate the major economic activity in an area;

Reduction of the international competitive position of an industry, resulting in reduced production; and

Shifts in Government programs, such as defense or space efforts, which may reduce or remove activities from a region.

The current energy crisis provides many examples of the substantial problems which can be created for communities in adjusting to changed availability of a critical resource. The impact of such a change will vary from region to region, and the need for assistance also will vary.

In an advanced innovative nation, which makes substantial investments in research and development, technological change will be a continuing process. Much of this technological change will be translated into the marketplace in a gradual fashion, and may be absorbed by affected regions without serious adjustment problems. Other kinds of technological change may be so significant and revolutionary as to be a truly traumatic shock to the economy of an area or region.

We are concerned in this demonstration program with identifying a few areas where we can predict that these traumatic shocks are likely to occur and then encouraging effective community action to offset their impact.

Perhaps the most critical factor is to maintain intact the skilled labor force in these areas in order to make the area attractive to new industry. This cycle has been demonstrated all too tragically in many areas—the younger, most skilled, most productive workers are the first to leave an area that threatens to become depressed. They will be the most likely to move—all too often from the small rural towns into already overcrowded big cities. Not usually because they want to but too often because there seems to be no hope of "holding on" until new jobs are available.

This is the basic reason for the requirement that the local economic adjustment plan contain assurances for workers who lose their jobs because of the economic adjustment problem that they will be able to receive unemployment assistance payments, if necessary, for a period up to a year.

Our experience in other similar problems—such as in the National Disaster Act passed by Congress a few weeks ago—shows clearly that this longer period of potential unemployment assistance is necessary. Hopefully, no payments would be needed and we do not believe that it would be either extremely expensive—this is only a limited demonstration program—nor would it be "difficult" to administer. The committee report makes it clear that these payments would be supplementary to existing compensation systems and will be administered wherever possible by State employment security agencies so it will be closely coordinated with other effort.

These agencies, established in every State with local offices located to meet the needs of jobless workers in each State, are uniquely qualified to administer the unemployment assistance features of any approved plan. Every State employment security agency under existing law administers regular State unemployment compensation programs. Every State agency administers the current payment of extended Federal-State unemployment compensation benefits which provide for extended benefit payments in excess of 26 weeks in periods of high unemployment. In addition, the State employment security agencies administer the assistance payments provided for jobless workers in the Trade Expansion Act of 1962, and they also administer the assistance payments provided to jobless workers in the Disaster Relief Act of 1970. The expertise of these State agencies will assure efficient administration of this unemployment assistance and also make available to jobless workers the assistance of State employment security agencies in obtaining new jobs.

I urge that this provision for supplementary extended unemployment assistance be supported.

Mr. JONES of Alabama. Mr. Chairman, the bill we are considering today, H.R. 14883, would amend and extend the Public Works and Economic Development Act of 1965 for 2 additional years.

This act and the economic development programs it authorizes are well known to Members of the House. Its achievements in stimulating construction of public works for the dual purposes of increasing employment in areas of greatest need and of helping communities provide the basic public facilities that are essential for community growth have been documented in the past.

It is imperative, Mr. Chairman, that this legislation be extended for 2 years. The need for an economic development effort is obvious in a nation in which the national unemployment level has been above 5 percent for more than 3 years, and every indication is that this will increase in the very near future. Indeed, Mr. Chairman, some severely depressed

areas of our Nation in both rural and urban areas suffer 20 and even 30 percent unemployment levels.

With unemployment and welfare payments as high as they are, it is evident that the Nation needs greater economic development efforts, not less. Without a doubt, the Economic Development Administration, through its many successful and varied economic development programs, provides the backbone for this great effort by making the permanent investments that are essential for national growth.

In fact, Mr. Chairman, evidence presented to the Committee on Public Works during hearings earlier this year indicates just how successful the Economic Development Administration has been in creating job opportunities and community development. The significance of this has created these jobs—over half of this is all the more evident when one takes into account that the Agency has created these jobs—over a half million since its creation—in areas of high unemployment with relatively small amounts of funds.

Mr. Chairman, there can be no question but that the Economic Development Administration, as authorized by the Public Works and Economic Development Act of 1965, and its many programs, has done an effective job in bringing economic growth and opportunity to people and communities that have long been denied adequate jobs and income.

This is not to say that there may not be other—perhaps more effective—ways of stimulating job development than those contained in the existing legislation. Indeed, the Public Works Committee has already begun to conduct hearings in search of better ways to bring economic opportunity to the distressed areas of our Nation. Title IX of this bill is a first step in this direction. It would authorize a new demonstration program to try new approaches of keeping an area from becoming depressed.

But such legislation cannot be created and implemented overnight. Until it is completed, the valuable work of the Economic Development Administration must continue. Mr. Chairman, it is the responsibility of this Congress to see that it does. I urge my colleagues to support H.R. 14883.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 14883, the bill to extend the Public Works and Economic Development Act of 1965.

This act, as passed in 1965, was premised on the need to meet and alleviate severe problems of unemployment resulting from regional or local economic dislocations. It was and is designed to meet this need in two related ways. The first of these is the promotion of economic development and employment through the injection of Federal funds into depressed areas. The second is the provision of adequate Federal funding to nurture the long-run economic planning that is essential in providing for contingencies which may arise and prove economically disastrous for the businesses and the workers of a given region.

Unfortunately, past congressional authorizations for the economic development program have not been fulfilled by the administration. For example, the Congress authorized \$430 million for the Public Works and Economic Development Act in fiscal year 1974, while the resulting appropriation amounted to only \$281.5 million. Particularly susceptible to the administration's hatchet was the authorization for personnel: Only 575 people were retained to administer a program of approximately \$220 million. These personnel reductions effectively emasculate the intent expressed by Congress in passing the annual authorizing legislation and certainly do not contribute to the effectiveness of the development program in alleviating the economic hardships facing many areas of the country.

Certainly, the economic situation has done anything but improve since the enactment of the EDA. It should be obvious that the inflation, unemployment, and growth problems have ballooned to a point of crisis, particularly in New England. This is not the time to eliminate programs which can help restore a degree of vitality to businesses faltering in an economic situation they had no part in creating. This is not the time to eliminate programs which aid workers laid off because of an emergency economic situation beyond their control. This is not the time to eliminate programs which will foster the coordinated planning necessary to dampen the severity of future economic dislocations. If anything, it is the time to strengthen and expand these programs.

H.R. 14883 would accomplish a number of things if passed and followed up with a real commitment by the administration, the Congress, the regional commissions, the States and local communities, business and industry, and the people themselves. Specifically, H.R. 14883 would extend the authorization period for the Economic Development Administration from 1 year, as has been customary in the past, to 2 years.

This change, although not providing sufficient time for the long-range planning that I believe necessary to meet problems of this scope, does increase the capability of the regional, State, and other local units involved to undertake more adequate economic adjustment and development planning by encouraging the formulation of economic development districts and by promoting greater coordination which is essential to alleviate the severity of the economic impact resulting from hitherto unforeseen economic dislocations, such as the energy resource problem or a Federal realignment.

In addition, the proposed legislation would authorize experimental economic development and adjustment demonstration projects through a new provision, title IX. Under these programs, a novel approach to mitigating potential economic dislocations will be created—an approach that could conceivably prove useful in dealing with other social problems. The demonstration projects authorized under title IX would promote the concept of "preventative planning,"

which, in very simple terms, involves the perception of potential problems before they arise and the formulation of alternative courses of action designed to meet these problems as they arise. Preventative planning can, I feel, minimize the impact of dislocations on the economic welfare of affected regions and communities, thus creating a more stable economic atmosphere for balanced growth and development.

The committee has recommended an authorization of \$510 million per year for the extended 2-year period in order to carry out the provisions of this act.

I feel the programs to be enacted and expanded under the act will be of particular significance to the economy of New England and Massachusetts. For years New England has been plagued by an especially unfavorable economic climate, characterized by high transportation costs, aged, and obsolete capital, and insufficient and extremely expensive supplies of energy. But, in the last few years, as the economic situation has deteriorated throughout the country and the world, the situation in New England has become more serious, as persistent unemployment, significantly higher than the national average, and now the energy shortage have hit the area. Massachusetts, for example, now has an unemployment rate of approximately 7.5 percent, and it will take, at the very least, the development programs and coordinated planning efforts authorized by this legislation to even begin to address a problem of this magnitude.

Since the establishment of the Economic Development Administration in 1965, about \$30 million has been allocated to Massachusetts, and \$3.2 million to the Sixth Congressional District for economic development projects. Without this shot in the arm, the economy would be in an even weaker position than it is.

Needless to say, it is extremely difficult to conduct the necessary economic planning with inadequate funding. Because the regional commissions, for example, have been underfunded and understaffed, it is not surprising that the job of planning has suffered as a result. Certain elements in the administration and the Congress tend to generalize from this inadequate performance and call for the abandonment of the commission structure. Such a policy, I believe, would amount to an "I told you so" follow-up to slow, but inexorable, sabotage.

Mr. Chairman, I believe the time has come to make a serious commitment to the concept of long-range regional planning. We can help accomplish this by strengthening the regional commission structure. Moreover, we must be ever vigilant to ensure that this structure assumes and retains an active posture, avoiding the attics and junkheaps of passive government programs. The need is there; the possibility is there. We need the commitment.

My colleagues should remember that planning is not a single act, but an ongoing process. Studies must be continually updated to include the ever-changing elements in economic reality.

Already the New England Regional Commission, created under title V of this

act, along with its six counterparts in the rest of the United States, has begun to assume this posture, addressing primarily three serious problems facing the area: Energy, transportation, and trade-related economic development. But, as long as the commission is forced to hustle bucks on an annual basis, the planning for the future cannot succeed.

I advocate strengthening the regional commissions by providing at least a 2-year authorization to let us begin to deal with the problems and challenges which we face. If we choose to do otherwise, it would likely mean that we will meet here again next year or in a subsequent year to rehash the old problems facing the New England region and the Nation as a whole, and the same tired, passive "solutions." I urge all of my colleagues not only to support the retention and expansion of the Economic Development Administration by the passage of the proposed legislation, but also to work together with regional and subregional agencies to insure that the program is effective in carrying out its mandate.

Mr. DRINAN. Mr. Chairman, I rise in support of H.R. 14883, a bill to extend for 2 years the Public Works and Economic Development Act of 1965. When this matter was before us last year, I joined with over 100 of my colleagues on both sides of the aisle in sponsoring legislation to continue EDA in the face of vigorous administration opposition. Today, I reaffirm my confidence in the EDA program as an effective method of helping communities to help themselves solve their unemployment problems through federally subsidized economic development.

The broad, bipartisan support which this bill enjoys is indicative of the undeniable need for this legislation. The unemployment statistics in Massachusetts, like those throughout the Nation, speak for themselves. This legislation will go far to fulfill the oft-stated rhetorical promise to provide help for the jobless. The act will appropriate \$510 million in each of the fiscal years 1975 and 1976. It will provide direct grants, business development loans and guarantees, planning and technical assistance, and special economic development and adjustment assistance demonstration programs to aid economically depressed areas in their fight against unemployment and economic stagnation.

Last year I noted that two towns in my district, Gardner and Fitchburg, which have been particularly hard hit by unemployment, were relying on the EDA for help. I am happy to report that thanks to a grant from the EDA, work has just begun on an industrial park in Gardner. The \$1.2 million Federal grant, which led to last week's ground-breaking is likely to result in about 2,000 new jobs for the people of this area.

Fitchburg's application for help with a sewer extension project has not been granted because the Economic Development Administration has no more funds available. It is my fervent hope that this extension of the Public Works and Economic Development Act will provide funds needed for the completion of the Fitchburg project and for similar projects in other eligible communities in Massa-

chusetts and across the Nation which have been denied grants solely because of inadequate funding.

In addition to continuing present programs, the bill grants new authority to increase the effectiveness of this self-help program by extending it to many needy communities presently ineligible for assistance. Under the provisions of section V, one, rather than two, redevelopment areas will be required in a district to satisfy eligibility requirements. Eligibility criteria will be consolidated to provide more equitable assistance to all applicants. Business development assistance will be expanded by permitting guarantees up to 90 percent on direct loans, working capital loans, and rental payments. All of these represent important improvements upon the provisions of the 1965 Public Works and Economic Development Act still in effect.

In addition, the bill adds a new title IX which authorizes the development of adjustment assistance demonstration programs designed to alleviate high unemployment resulting from existing or expected job dislocations. The new title appropriates funds to minimize the destructive economic impact of unforeseen developments such as the closing of Federal installations, enforcement of environmental restrictions, and changes in Federal energy allocations.

Massachusetts has been particularly hard hit by the closing of military bases, and the entire Nation suffers economically as a result of the energy shortage. The \$50 million appropriated for title IX will be of great assistance in identifying problem areas and formulating long-range plans to mitigate the effects of economic dislocation and reduce the incidence of unemployment and underemployment. The provision to include potential as well as existing problem areas in the demonstration project is a rare example of sound planning which is vital to the success of any economic assistance program. I commend the committee for its wisdom in adopting this sophisticated provision.

One vital aspect of new title IX authority is the stipulation that expanded benefits be incorporated into any demonstration project. This requirement is intended to provide assistance to jobless workers whose unemployment results from an economic adjustment need of the eligible recipient. It will aid those workers who are ineligible under the regular unemployment program, and extend an eligible worker's benefits to a maximum of 1 year.

Mr. Chairman, in my judgment, the best way to combat economic recession is to provide grants and loans for local projects and programs which create new jobs in economically depressed areas. This is precisely the philosophy of self-help which underlies the EDA. The sluggish condition of our Nation's economy makes a continuation of federally funded development programs even more vital now than it was 1 year ago. Defeat of H.R. 14883 would be disastrous both to my Fourth Congressional District in Massachusetts and to the United States as a whole.

I urge my distinguished colleagues to join me in support of this critical legislation to preserve and strengthen one of our most effective weapons against unemployment and the other ill effects of economic recession.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 14883, the Public Works and Economic Development Act Extension—EDAE.

In these times of rampant inflation and economic decline, it is imperative that the Congress move most expeditiously to encourage economic development, and this act will allow for that kind of encouragement.

The purpose of this bill is to assist areas of the country in economic distress. It provides Federal assistance, in the forms of grants, loans, and subsidies, to those sections of the country which have fallen behind the mainstream of economic growth nationwide.

And, of especial significance in this bill is the inclusion of the new title IX to the Economic Development Act. This new section will set up demonstration projects, designed to stimulate economic growth, and to assist the various States and localities in meeting the special needs arising from severe unemployment. EDAE's passage will show that we understand the correlation between economic development and the problems of unemployment, and most importantly, the needs of those unfortunate workers.

What is particularly important about this kind of proposal for tackling the problem of unemployment, is that it is intended to meet the specific problem of structural unemployment that faces the Nation now. By structural unemployment we mean joblessness in specific sections of the country, as a result of various economic factors. An area of the country, for example, might be suffering from high unemployment rates because an industry operating in that area is experiencing hard times. Structural unemployment then, might be the result of geographical location, specific industry problems, shortages of raw materials, a lack of skilled employees, or other economic factors affecting one aspect of the economy.

Of particular concern to me in facing this problem of structural unemployment is the relationship that has developed between layoffs and the energy crisis. According to statistics published by the Department of Labor in March of this year, energy related layoffs accounted for 16 percent of the Nation's unemployment. In 1 week of that month, of 313,000 new claims for benefits by jobless workers, 49,600 attributed their layoff directly to the energy crisis.

These are exact figures as to energy related unemployment. Many distinguished economists are predicting even higher rates. Wassily Leontief, the Nobel Prize winning economist from Harvard, predicts a 10 percent reduction in business activity this year, due to the energy crisis. Think what that would mean for the jobless. We have already seen that gross national output is falling steadily. Recession and the resultant unemployment are conditions that must be faced.

And what does all this mean?

This means that the American worker is bound to suffer. The American worker is bound to be the helpless victim of the energy crisis.

Workers in the airline industry, the chemical industry, the plastics industry, the automotive industry—all are bound to pay.

We are facing a new crisis—a crisis of unemployment as a result of the energy shortage.

Finally, through the efforts of the member of the Public Works Committee, under the leadership of their distinguished chairman, Mr. BLATNIK, we have a substantive proposal to deal with this new crisis. Section 9 of this bill would meet the problem of energy related unemployment.

And, while this is significant and workable, I believe that more can be done.

In February of this year, I introduced a major plan to combat energy related layoffs. It is a comprehensive package, entitled the Energy Emergency Employment Act of 1974. A total of 52 of my colleagues cosponsored this legislation—a fact that outlines the need and concern for the American worker during this time of crisis.

I would like to speak a bit about this bill, to further outline the need for its expeditious consideration by the Education and Labor Committee and the full House, and to reiterate the need for a start on this problem which we have before us today in the Public Works and Economic Development Act extension bill.

The Energy Emergency Employment Act is designed to meet the needs of all of the energy related unemployed, in a fair and equitable manner, and at the lowest possible cost to the American taxpayer. It has three main parts.

First, this energy unemployment package establishes an Energy Emergency Employment Board. This board is to be composed of the Secretary of Labor, the Director of the Federal Energy Administration, and five public members. The board will have five distinct functions.

First. Oversee the entire program as set up in this bill.

Second. Develop an early warning system to anticipate energy related layoffs, and to effectively counter them as they occur.

Third. Establish all guidelines and criteria under which the act is to be administered.

Fourth. Recommend to Congress and the President measures to combat energy-related unemployment.

Fifth. Report to Congress and the President every 6 months on their success in dealing with energy layoffs, and their predictions as to energy unemployment and underemployment.

Second, this bill would establish a public service employment program. It would provide jobs by providing financial assistance to public service employers who give jobs to the energy-related unemployed. Funds for this part of the program would be distributed equitably, with 80 percent going to States and localities according to their proportionate share of energy-related unemployment. The remaining 20 percent would be

shifted to States that are particularly hard hit by the crisis, in the determination of the board.

This section of the bill would also provide incentives for private employers to hire the energy related unemployed. This could be done with a 15-percent tax credit on the first 12 months of wages paid to a worker formerly unemployed as a result of the energy crisis. Further it would reimburse firms for the costs incurred for training and recruitment. Also, this section of the bill allows for a certification process, to be conducted by the board, to certify jobless as energy related. This is to ensure against abuses by workers or employers.

The third and last title of this bill allows for economic assistance to workers affected by the energy crisis. The economic adjustment allowance outlined in this section includes the following provisions.

Readjustment assistance allowance;  
Training and counseling help;  
Relocation expenses; and  
Health insurance benefits.

Gentlemen, I cannot stress enough the importance of this kind of legislation. This type of comprehensive plan is the best way to tackle the enormous problem of unemployment caused by the energy emergency. As I stated earlier, a total of 52 legislators have agreed to attach their names to this vital piece of legislation, and as I said, this is an indication of the immediate need for help to our Nation's unemployed.

I urge immediate action on the basic proposal contained in the Public Works and Economic Development Act extension, and expeditious consideration of the Energy Emergency Employment Act, which would tackle the energy aspect of structural unemployment and serve as a compliment to the new title IX.

Mr. WRIGHT. Mr. Chairman, I have no further requests for time on this side.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

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 the first sentence of section 105 of the Public Works and Economic Development Act of 1965, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "for each of the fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976". The final sentence of section 105 of such Act, as amended, is amended by striking out "and June 30, 1974," and inserting in lieu thereof "June 30, 1974, June 30, 1975, and June 30, 1976".*

SEC. 2. (a) Title I of such Act, as amended is amended by striking out section 102.

(b) Title IV of such Act is amended—

(1) by adding the following new paragraph at the end of section 401(a):

"(8) those areas which the Secretary of Labor determines, on the basis of average annual available unemployment statistics, were areas of substantial unemployment during the preceding calendar year.;" and

(2) by striking out the period at the end of section 401(a)(7) and inserting in lieu thereof a semicolon.

(c) Any area of substantial unemployment so designated under authority of section 102

of title I of the Public Works and Economic Development Act of 1965 which has not had such designation terminated before the date of enactment of this section shall be deemed for the purposes of such Act to be such an area designated under section 401(a)(8) of such Act.

SEC. 3. (a) Section 201(c) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof "and shall not exceed \$60,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976."

(b) Section 202 of such Act, as amended, is amended—

(1) by striking all of subsection (a) and inserting in lieu thereof the following new subsection:

"SEC. 202. (a)(1) The Secretary is authorized to aid in financing, within a redevelopment area, the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings by (A) purchasing evidences of indebtedness, (B) making loans, (which for purposes of this section shall include participation in loans), (C) guaranteeing loans made to private borrowers by private lending institutions, for any of the purposes referred to in this paragraph upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"(2) The Secretary is authorized to aid in financing any industrial or commercial activity within a redevelopment area by (A) making working capital loans, (B) guaranteeing working capital loans made to private borrowers by private lending institutions upon application of such institution and upon such terms and conditions as the Secretary may prescribe, except that no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan, (C) guaranteeing rental payments of leases, except that no such guarantee shall exceed 90 per centum of the remaining rental payments required by the lease.;"

(2) by striking out in subsection (b)(7) the comma after the words "no loan" and inserting immediately thereafter the words "or guarantee.;"

(3) by striking out in subsection (b)(9) "Loan assistance and inserting in lieu thereof "Loan assistance (other than for a working capital loan)".

SEC. 4. (a) section 302 of such Act, as amended, is amended by redesignating such section as section 303.

(b) Such Act, as amended, is amended by inserting immediately after section 301 the following new section 302:

"SEC. 302. (a) The Secretary is authorized, upon application of any State, or city, or other political subdivision of a State, or sub-State planning and development organization (including an economic development district), to make direct grants to such State, city, other political subdivision, or organization to pay up to 100 per centum of the cost for economic development planning. Any overall State economic development plan prepared with assistance under this section shall be prepared cooperatively by the State, its political subdivisions, and economic development districts located in whole or in part within such State, and such State plan shall, to extent possible, be consistent with local and economic development district plans.

"(b) In addition, the Secretary is authorized to assist economic development districts in—

"(1) providing technical assistance (other than by grant) to local governments within the district; and

"(2) carrying out any review procedure required pursuant to title IV of the Intergovernmental Cooperation Act of 1968, if such district has been designated as the agency to conduct such review."

"(c) Section 303 of such Act, as redesignated by this Act, is amended by inserting "(a)" immediately after "SEC. 303.", by striking out the period at the end of such subsection and inserting in lieu thereof the following: "and \$60,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976.", and by adding at the end of such section the following new subsection:

"(b) Not less than 60 per centum of all funds expended under this title under the authorizations for the fiscal years ending June 30, 1975, and June 30, 1976, shall be expended to carry out section 301 of this title. Not to exceed 20 per centum of funds actually made available under section 302 during any fiscal year shall be expended for direct grants or other assistance to the States in carrying out section 302."

SEC. 5. (a) Section 403(a)(1)(B) of such Act, as amended, is amended by striking out the words "two or more redevelopment areas" and inserting in lieu thereof "at least one redevelopment area".

(b) Section 403 of such Act, as amended, is amended by inserting at the end of such section the following two new subsections:

"(1) Each economic development district designated by the Secretary under this section shall as soon as practicable after its designation provide that a copy of the district overall economic development program be furnished to the appropriate regional commission established under title V of this Act, if any part of such proposed district is within such a region, or to the Appalachian Regional Commission established under the Appalachian Regional Development Act of 1965, if any part of such proposed district is within the Appalachian region.

"(j) The Secretary is authorized to provide the financial assistance which is available under this Act to a redevelopment area to those parts of an economic development district which are not within a redevelopment area, when such assistance will be of substantial direct benefit to a redevelopment area within such district. Such financial assistance shall be provided in the same manner and to the same extent as is provided in this Act for a redevelopment area, except that nothing in this subsection shall be construed to permit such parts to receive the increase in the amount of grant assistance authorized in paragraph (4) of subsection (a) of this section."

(c) Section 403(g) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "per fiscal year for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976".

SEC. 6. (a) Section 503 of such Act, as amended, is amended by inserting "district," in paragraph (7) of subsection (a), immediately after "other Federal, State".

(b) The first sentence of section 505(a)(2) of such Act, as amended, is amended by striking out "and training programs" and inserting "training programs, and the payment of administrative expenses to substate planning and development organizations (including economic development districts)," in lieu thereof.

(c) Section 509(d) of such Act, as amended, is amended by striking out "for the fiscal year ending June 30, 1974," and inserting in lieu thereof "for each of the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976".

(d) Section 511 of such Act, as amended, is amended to read as follows:

## "COORDINATION

"SEC. 511. (a) The Secretary shall coordinate his activities in making grants and loans and providing technical assistance under this Act with those of each of the regional commissions (acting through the Federal and State cochairmen) established under this Act in making grants and providing technical assistance under this title; and each of such regional commissions shall coordinate its activities in making grants and providing technical assistance under this title with those activities of the Secretary under this Act.

"(b) Each regional commission established under this Act shall coordinate its activities under paragraphs (2) and (7) of section 503(a) of this Act with the activities of the economic development districts in such region."

Sec. 7. Section 2 of the Act entitled "An Act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for titles I through IV through fiscal year 1971", approved July 6, 1970 (Public Law 91-304), is amended by striking out "1974" and inserting in lieu thereof "1976".

Sec. 8. The Public Works and Economic Development Act of 1965, as amended, is amended by adding the following new title at the end of the Act:

**"TITLE IX—SPECIAL ECONOMIC DEVELOPMENT AND ADJUSTMENT ASSISTANCE DEMONSTRATION PROGRAM**

## "PURPOSE

"SEC. 901. It is the purpose of this title— "(1) to establish a demonstration program to evaluate and test innovative economic development and assistance programs to help multistate, State, and local areas meet special needs arising from actual or threatened severe unemployment arising from economic dislocation, including unemployment arising from actions of the Federal Government and from compliance with environmental requirements that remove economic activities from a locality; and

"(2) to encourage and demonstrate new approaches to cooperative intergovernmental action to prevent problems and solve problems as they occur, return resources to productive use as soon as possible, avoid or reduce unnecessary hardship for the American people, and avoid the creation of new economically distressed areas.

## "DEFINITION

"SEC. 902. As used in this title, the term 'eligible recipient' means a regional commission established under title V of this Act, the Appalachian Regional Commission, a State, a redevelopment area or economic development district established under title IV of this Act, an Indian tribe, a city or other political subdivision of a State, or a consortium of such political subdivisions.

## "GRANTS BY SECRETARY

"SEC. 903. (a) The Secretary is authorized to make grants to any eligible recipient which has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment, or other economic adjustment problems (including those caused by any action or decision of the Federal Government) to carry out a plan which meets the requirements of subsection (b) of this section and which is approved by the Secretary, to use such grants for any of the following: public facilities, public services, business development, planning, research, technical assistance, training, relocation of individuals, and other appropriate economic adjustment assistance. Such grants may be used in direct expenditures by the eligible recipient or through redistribution by it to public and private entities in grants, loans, loan guarantees, or other appropriate assistance, but no grant shall be made by an eligible recipient to a private profitmaking entity.

"(b) No plan shall be approved by the Secretary under this section unless such plan shall—

"(1) identify each economic development and adjustment need of the eligible recipient for which assistance is sought under this title;

"(2) describe each activity planned to meet each such need;

"(3) explain the details of the method of carrying out each such planned activity;

"(4) set forth the methods by which the success or failure of each activity to be assisted under this title, in terms of the identified need such activity is to meet and the general purposes of this Act, may be evaluated;

"(5) include the payment from the grant of extended unemployment assistance for a period not to exceed one year after the commencement of his unemployment to each individual who is unemployed as a result of an economic adjustment need of the eligible recipient;

"(6) contain assurances satisfactory of the Secretary that the proceeds from the repayment of loans made by the eligible recipient with funds granted under this title will be used for economic adjustment; and

"(7) be in such form and contain such additional information as the Secretary shall prescribe.

## "REPORTS AND EVALUATION

"SEC. 904. (a) Each eligible recipient which receives assistance under this title shall annually during the period such assistance continues make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the economic assistance provided under this title in meeting the need it was designed to alleviate and the purposes of this title.

"(b) The Secretary shall provide an annual consolidated report to the Congress, with his recommendations, if any, on the assistance authorized under this title, in a form which he deems appropriate. The first such report to Congress under this subsection shall be made not later than January 30, 1976.

## "AUTHORIZATION OF APPROPRIATIONS

"SEC. 905. There is authorized to be appropriated to carry out this title not to exceed \$50,000,000 per fiscal year for the fiscal years ending June 30, 1975, and June 30, 1976."

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

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

There was no objection.

## AMENDMENT OFFERED BY MR. HARSHA

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

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 13, strike out lines 8 through 11, and insert in lieu thereof the following: "1976." The final sentence of section 105 of such Act, as amended, is amended to read as follows: "Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal year ending June 30, 1974, and not less than 10 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1975, and June 30, 1976, under authority of the preceding sentences shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act".

Mr. HARSHA. Mr. Chairman, what this amendment does is change the Pub-

lic Works Impact program from a mandatory 25 percent down to 10 percent for the 2 fiscal years which this committee amendment deals with, the committee amendment to the Economic Development Act for the 2 fiscal years, fiscal year 1975 and fiscal year 1976; and it changes existing law as it relates to that mandatory requirement for the administration to spend 25 percent of the Public Works grants and supplemental grants program on what we call the PWIP program.

The reason for this is that the administration has raised the point that in some cases the PWIP program had not met the expectations that we on the committee had held out for it initially. For example, the employment that was generated was not employment from the area that was suffering the economic distress. It was employment which was brought in from outside the distressed area and therefore did not relieve the unemployment situation in the area where the distress had occurred and where the committee had hoped the unemployment would be relieved.

In some cases the man-hours that were provided under the PWIP program were less than we expected. The total employment was not as long as we anticipated.

For example, this bill authorizes \$200 million for title I Public Works grant program. To mandate that the administration must spend one-fourth of the funds appropriated on this particular type of program would require expenditures of \$50 million, if full funding were achieved, but irrespective of need. In the cases that will not meet the expectations that we had hoped for can certainly defeat the total, long-range purpose of the program.

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

Mr. HARSHA. Yes, I yield to the gentleman from Texas.

Mr. WRIGHT. Do I understand that the only change which will be made by the amendment offered by the gentleman from Ohio would be to reduce the mandatory minimum required to be expended upon public works improvement projects from 25 percent of the total public works projects authorized down to 10 percent of the total public works projects authorized?

Mr. HARSHA. That is absolutely correct.

Mr. WRIGHT. That is the only change that will be made?

Mr. HARSHA. That is the only change.

Mr. WRIGHT. And the 10 percent is stated as a minimum, not a maximum?

Mr. HARSHA. Yes, sir. You are absolutely right. The minimum is established at 10 percent. Under existing law up to 35 percent can now be spent, if the need arises.

Mr. WRIGHT. The present law requires that somewhere between 25 and 35 percent of all expenditures obligated under public works projects shall be obligated under the Public Works improvement projects program, and the change the gentleman would make would simply provide sufficient flexibility for the administration to expend down to 10 percent of the total, if, in its judgment,

there were sufficient projects in the program?

Mr. HARSHA. The gentleman is correct.

Mr. HARSHA. Mr. Chairman, the gentleman is correct.

Mr. MIZELL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio. Section 903(b)(5) of the bill, H.R. 14883, as reported, is objectionable for many reasons. Significantly, the potential cost of this mandatory extended unemployment assistance is so great that most, if not all of the title IX money could be spent for this unemployment provision rather than for the entire purposes of the title. This provision could, therefore, swallow up the funds that Congress seeks to make available for economic development under title IX. We, therefore, are authorizing an unemployment compensation program, exclusive of other aid.

The projected cost of employment compensation at four different levels of unemployment for 13 and 26 weeks is as follows:

Unemployed	13 weeks	26 weeks	Annual
100,000.....	\$84,500,000	\$169,000,000	\$238,000,000
250,000.....	211,250,000	422,500,000	845,000,000
500,000.....	522,500,000	845,000,000	1,690,000,000
1,000,000.....	845,000,000	1,690,000,000	3,380,000,000

This projection was based on an average \$65-a-week unemployment benefit for fiscal year 1975. This cost, however, is based on an average, so the true benefits could be higher. Economic adjustment most affects heavy industry, and these industries are high paying. Furthermore, approximately 11 million workers are currently not covered by Federal-State unemployment compensation insurance system and under this title could receive up to 1 year benefits regardless of length of service. Additionally, about 20 percent of workers covered by unemployment insurance exhaust their benefits; in other words, cannot find comparable employment in the time allowed under current unemployment insurance laws.

Realistically, the facts and figures stack up against a requirement for extended unemployment benefits under this limited demonstration program. If this program is to receive the proper evaluation, then all aspects of it should be given adequate funding. As the bill is currently written, this will not happen. The proposed amendment will give the needed flexibility and the chances of success of this program will be greatly enhanced. I urge adoption of this amendment.

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

Mr. Chairman, I take this time simply to make some legislative history with respect to the public works improvement program, and in order to clear the air so that we might develop a consensus on both sides.

There has been a disposition in the administration to downgrade and derogate the results of the public works improvement program, and yet many Members of this Congress and many local spokesmen for many local communities have appeared before our committee

singing the praises of this program and saying that it has breathed the breath of hope into communities where there had been only despair.

We have received ample testimony as to effective projects undertaken under this public works improvement program which not only have provided useful, immediate, and gainful employment in areas of extremely high unemployment, but which have provided the basic infrastructure of public facilities necessary to give the impetus for long-range economic development on the part of private industry. That, after all, is what we seek in the long run.

Mr. Chairman, I should not want to be so inflexible as to demand that the administration provide a fixed percentage of its money for certain types of projects, but I would want to have the assurance that the administration is absolutely sincere in its desire to approve each of these projects which can be demonstrated to have a reasonable expectation of making some contribution to long-range economic improvement in these severely hard-pressed areas.

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

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

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

I wish to say to the gentleman that there were some who wanted to knock the percentages out entirely. However, I feel as the gentleman from Texas feels, that in some cases the public works impact program has met the expectations we on the committee held out for it. It has done the job that the gentleman has alluded to.

Furthermore, if the gentleman will recall, we extracted the promise from the Assistant Secretary of Commerce, who is directing the economic development program under the Department of Commerce, that he would fund a number of these projects. Obviously, they would not agree with the committee in testimony before the committee to fund them if they did not think there was merit in some of the projects.

Now, having had that commitment from the director of the program and having at least this mandatory 10 percent as proposed, I think we can assure the House that it is certainly the intention of the committee that this program continue, at least at this minimum level, because it has done the job in certain areas.

Mr. Chairman, that is certainly the position I take, and I would urge the administration to act along the same lines.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman for that comment.

I studied the report of the administration, and that report attempts to downplay the effectiveness of this program. I find that report quite deficient in several respects.

First of all, it excluded from its survey—which is a very limited survey in numbers—all of those projects which had been commenced prior to 1972; it excluded some of those that were commenced in 1972. Obviously, it is only the longer term projects—those that were commenced several years ago—which

can be evaluated for a demonstration of long-range benefits. Yet these were all excluded from the study.

Second, the administration admitted that among those categories underrepresented in its sample were those which had authorized construction of such things as streets and roads, and industrial parks. Those, after all, are the very things which do provide the infrastructure for industrial development and without which a depressed community has no opportunity to grow.

In the third place, I found that report from the administration quite deficient in that it listed only two such projects by name and reference. One is in Rosebud, Tex., and one is in Buffalo, N.Y.

With respect to the Rosebud, Tex., project, I discovered it involved an expenditure of some \$71,000 to build a water pipeline to provide that city with an adequate water supply. It seems to me that is truly a valid project without which there could be no growth for Rosebud, Tex.

The Buffalo project, I think, is even more a success story, although it was pointed up as a failure by the administration report.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. The Buffalo project, cited by name in the administration report, is a tremendous success according to the local officials, the Erie County Commissioners Court. They say it has generated an investment of some \$10 million in the depressed area of Buffalo with private capital in private long-term job-producing enterprises.

So I should simply like to say that we will not object to the amendment offered by the gentleman from Ohio, in that we are advised it will remove the objections on the part of the administration to the passage of this bill and, since the administration has made a number of other concessions and commitments to the committee. In the interests of harmonious legislation, we will not offer an objection to the amendment offered by the gentleman from Ohio.

But I do want it understood that we do fully expect and intend that a reasonable amount of funding shall continue to be made available for valid public works improvement projects.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I regret that the administration has proposed a percentage reduction in the mandatory funding requirement for the public works impact program. To amend the present requirement which requires 25 to 35 percent of all title I public works grants to be used in the special impact program, and place a floor of 10 percent will only depress rather than encourage the development of more effective PWIP projects. And, in view of the history of this administration's opposition to the public works impact program, there is no guarantee that these programs will be funded above the 10-percent minimum.

The Members here today are well

aware of the benefits PWIP has provided in many of their communities. It is clear from testimony received before our committee from both Members and local government officials that PWIP has been extremely successful in accomplishing its objective in providing immediate and useful short-term employment for unemployed and underemployed persons in distressed areas of our country.

Mr. Chairman, in the additional views submitted by the minority in the report accompanying H.R. 14883, it is asserted that the use of public works projects in generating jobs in EDA-designated areas is "both costly and inefficient." This conclusion is based on one evaluation report—the "Fiscal Year 1972 Evaluation of PWIP," prepared by the Department of Commerce.

Mr. Chairman, I cannot accept this position and it is frankly difficult to accept the results of a report that itself admits that all findings "must be considered tentative."

In addition, the evaluation report repeatedly admits that the sample used for the study of direct benefits was biased and faulty: Only 108 projects were examined out of a total of 203 PWIP projects in 1972; those projects that were selected for the evaluation tended to be smaller in terms of project costs than the total number of projects; and the distribution of the sample projects by region was not an accurate representation of the total number of PWIP projects.

It has been my experience that the public works impact program has proven its success, time and time again in many of our distressed communities across this country. Although it may be difficult to measure success in "cost-benefit" evaluations—by the sheer number of jobs created and dollars spent—it is clear that for many communities and citizens, PWIP has provided a ray of hope and a new sense of pride where only despair and cynicism prevailed in the past.

We know that in many cases public works impact projects have provided the "seed" money and the initial stimulus for industry to locate in areas that previously lacked the tax base, and public facilities conducive to sound economic growth. In addition, PWIP projects have fostered cooperation among local community residents to improve the economic conditions of their areas. These secondary or the indirect benefits of the PWIP projects cannot and must not be overlooked. We know that these indirect and often "hidden" impacts of PWIP construction activity can induce further expenditures for labor, goods, and services.

However, we find in the 1972 evaluation of PWIP projects, that the indirect impacts were dismissed due to the paucity of data. The point is that the indirect impact of PWIP projects are significant in the final analysis of the overall success of this program in promoting long-term economic growth. In the Commerce evaluation, only 51 sample projects, out of a total of 203 fiscal year 1972 PWIP projects, were selected as possible candidates to measure indirect impacts. It

is obvious that any attempt to evaluate indirect impacts based on such a small sample would be inherently bias and that any conclusions or generalizations based on data from such dissimilar projects would be questionable at best.

I hope that if this bill goes on after passage here and goes to the other body, some reevaluation can be made and another method developed for giving the administration the flexibility it needs to insure that the projects approved are more effective. I do not believe that merely placing a floor of 10 percent on such expenditures will accomplish that end.

I regret that the committee has accepted this amendment. But as a member of the committee who feels very deeply about economic development and about this particular act and the need to continue this program with the cooperation and consensus of all of us, as we have tried to do in the years past and as we will try to do in the years ahead, I am going to have to accept the judgment of the leadership of the committee.

I would appreciate it, however, if the Members on the other side of the aisle in this committee would discuss further this issue with the administration in an effort to find some other, better means of improving the operation of this generally extremely worthwhile program.

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

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word.

Mr. Chairman, I have heard more talk about unemployment, depression, and poverty here this afternoon than I have heard elsewhere in a long, long time. It is pretty hard to believe this talk about hard times and depressions because I cannot recall a single appropriation bill that has been brought before the House this year—not a single appropriation bill being passed in the House this session that did not call for additional millions or billions to be expended in the next fiscal year as compared with the last fiscal year.

Where is the evidence that you realize by your past votes that you are even approaching a depression in this country? Where is the evidence, aside from this bill, which has all the appearance of the 1930 depression, the good old WPA, and the leaf-raking days.

So you are getting ready for a depression. Yet you vote with the greatest of ease for every appropriation bill that comes here and every one of them above what we spent in the last year.

If you mean business, why do you not vote against a few of these appropriation bills, no matter what they are, or who they affect, if you really mean business about stopping inflation and a depression. Where is it proposed to get the billion dollars for this bill? You will borrow it, of course, and you will pay 8 or 9 percent interest on it.

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

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

Mr. SHUSTER. Mr. Chairman, I would ask the gentleman from Iowa, is the gentleman aware of the fact that for every \$2,800 spent, approximately, under the Economic Development Administration, that one job is created?

Mr. GROSS. For every \$2,800?

Mr. SHUSTER. Yes. Would the gentleman not agree that has a very good impact, because a job sends back to the Federal Treasury perhaps a thousand dollars or more in income taxes, as well as in many other ways. It also takes that person off of the welfare rolls. I believe the gentleman from Iowa is in opposition to these bid welfare programs we have in the Nation.

Mr. GROSS. I want to go about it the other way. I want to see people employed in industry and on the farms of this country. There is no end to the dole if you adopt this bill, there will be no end to this Pandora's box.

Mr. SHUSTER. I respectfully disagree with the gentleman from Iowa.

Mr. GROSS. For instance, how about the livestock producers who are in trouble and who want \$3 billion in guaranteed loans? Are we going to provide relief for everybody in this country?

This is the beginning, in my opinion, of more leaf-raking and more doles. When, I ask again, are we going to stop deficit spending? When are we going to stop the inflation that is tearing this country apart, devouring the sinew of the Nation morally, financially, and every other way.

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

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

Mr. MYERS. I thank the gentleman for yielding.

I think earlier today we heard a statement by the majority leader criticizing this administration for the economic condition of the country. One of the things he included was about the interest rate going so high, clear up to 13 percent. But this \$1,200,000,000, as the gentleman says, is going to have to be borrowed. Where is it going to be borrowed from? Right out of the communities we represent, taking that money out of the community, and driving that interest rate higher and higher. But yet the President is being blamed for it.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

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

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I was interested in the comment of the gentleman from Pennsylvania when he talked about creating a \$2,800 job that was going to pay \$1,000 back in income taxes. That is hard to reconcile.

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

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

Mr. SHUSTER. I thank the gentleman for yielding.

I believe I said a \$2,800 investment, \$2,800 of the taxpayers' money spent will create a new job. The job itself is probably a \$6,000- or \$7,000- or \$8,000-a-year job.

Mr. GROSS. Does the gentleman think that is sound business, sound financing?

Mr. SHUSTER. Absolutely. This is where we spend our money. In fact, there is not enough money being spent on this program, because increasing economic development means increasing the productivity, and increasing the productivity drives down inflation. That is one of the answers to inflation.

Mr. GROSS. For the Federal Government to borrow money to employ people?

Mr. SHUSTER. If we can get a \$1,000 return on that \$2,800 investment, yes.

The CHAIRMAN. The time of the gentleman has expired.

AMENDMENT OFFERED BY MR. HARSHA

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

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 22, line 20, strike out "include" and insert in lieu thereof "if deemed appropriate by the Secretary, include".

Mr. HARSHA. Mr. Chairman, the purpose and intent of this amendment is to make discretionary that mandatory language in the bill that deals with the establishment of extended unemployment assistance for up to a year following commencement of unemployment. It deals with title IX, which is the title that the administration asked for. It describes the program that the administration asked to have put in this program to give them the flexibility to deal with areas in anticipation of high unemployment and economic distress, to ward off that problem and head it off before it actually occurs so that we will not have to return to make adjustments after the distress has already occurred.

The language on page 22 requires that the administration cannot even entertain a project or an application for a project unless that plan or application contains a program which includes the payment from the grant of extended unemployment assistance for a period not to exceed 1 year, irrespective of the causes of the distress or unemployment irrespective of any other benefits that the unemployed may have, and irrespective of the length in time of service that he may have passed on the job, or the time that he had on the job prior to unemployment.

This would needlessly create an expensive program. It would be exceptionally difficult to administer and would result in an inequitable and fragmentary program of unemployment assistance.

The projected expense of such a provision is so great compared to the amount that is provided for authorization in this title IX that most of it conceivably could be used for unemployment compensation rather than for long-term and overall economic development, thereby rendering the entire title useless and ineffective in dealing with the announced purpose of the title IX program.

Additionally the administration has sent up from the Secretary of Commerce a letter setting forth all of his objections to it, and while I shall not read those objections now I will include the letter in my remarks on this amendment.

Mr. Chairman, the letter is as follows:

THE SECRETARY OF COMMERCE,  
Washington, D.C., June 25, 1974.  
Hon. JOHN A. BLATNIK,  
Chairman, Committee on Public Works, Ray-  
burn House Office Building, Washington,  
D.C.

DEAR CHAIRMAN BLATNIK: The purpose of this letter is to advise you of the strong objections of the Department of Commerce to a provision presently included in Title IX of H.R. 14883.

The stated purpose of Title IX is to establish a "demonstration program" to evaluate and test innovative economic development and assistance programs. A subparagraph of Title IX requires plans to include provision for the payment of unemployment compensation. This assistance may be for a period of up to one year after a worker becomes unemployed because of an economic adjustment problem.

The subparagraph of Title IX concerning payment of unemployment compensation is strongly opposed. The principal objections to this subparagraph are:

(a) Unemployment compensation has little relevance to economic development and would dilute the purpose of the Public Works and Economic Development Act.

(b) There are already several provisions of law in existence which provide relief to the unemployed, making the unemployment compensation program, proposed in Title IX, unnecessary.

(c) The program would be an extremely expensive one, would result in a fragmented and inequitable compensation system, and would be difficult to administer. The projected expense of unemployment benefits is so great compared to the amount of money authorized for Title IX, that much if not all of the money authorized for Title IX would be spent for unemployment compensation programs. The Department of Labor has consistently maintained that any deficiencies in the existing federal-state unemployment insurance system should be remedied by corrective legislation applicable to all workers and not by creation of new and separate programs for a limited number of workers. Additionally, it is uncertain who would administer the program. If the federal government administered it, this would superimpose the federal system on top of the existing federal-state system, which could be cumbersome and result in duplication of effort.

(d) The program would have a very narrow impact. Based on the total proposed authorization for Title IX (\$50 million), not many unemployed workers would receive benefits, and only a few areas would benefit from the program.

I recognize the need for assistance, such as unemployment compensation to those areas experiencing special needs to meet an expected rise in unemployment or other economic adjustment problems. However, the inclusion of provisions for unemployment assistance as an appendix to economic development efforts under the Public Works and Economic Development Act is considered to represent a less than viable solution to a most commendable objective. As you know, the Economic Development Administration attacks unemployment and stimulates economic growth through the use of job stimulating tools such as grants, loans, and technical and planning assistance. The Department of Labor is in a much better position to deal effectively with the intricacies of unemployment insurance. In order to insure that a more effective approach is taken in assisting those areas with economic adjustment problems by providing unemployment compensation, it is strongly urged that this be done through the existing federal-state unemployment insurance assistance in coordination with the Department of Labor.

We have been advised by the Office of Management and Budget that there would be no

objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

FREDERICK B. DENT,  
Secretary of Commerce.

Suffice it to say, Mr. Chairman, that unless we can make this provision discretionary, if the plan must contain a provision to pay out of this grant extended unemployment benefits for up to 52 weeks irrespective of the cause of the economic distress, it seems to me to be harsh to make it mandatory that each plan must have this provision before the Administrator can even entertain the application of the plan.

I am trying to make this discretionary. There may be cases in which the Federal Government is involved, such as we have seen in Minnesota and by other acts of the Environmental Protection Agency, where conceivably there could be a number of people thrown out of work. That was by governmental action.

Possibly in those cases there is justification for an extended unemployment program such as this provision tries to provide. But to make it mandatory in each and every case, all inclusive, seems to me to be arbitrary.

It is the administration's position that unless this provision is stricken, they will veto the bill, as the administration vetoed a bill 2 years ago which had a similar provision in it. I would say if we really want this bill, and if we need it as the Members suggest we do, as I agree we do I submit the very least we can do would be to make this discretionary so that the Secretary can administer it in a proper manner. I add that the administration is not opposed to unemployment assistance. That subject could better be addressed in other legislation. I submit a letter from the Secretary of Labor expressing this view:

U.S. DEPARTMENT OF LABOR,  
Washington, June 25, 1974.  
Hon. JOHN A. BLATNIK,  
Chairman, Committee on Public Works,  
Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to express the strong objections of the Department of Labor to the new section 903(b)(5) which H.R. 14883, as reported by your Committee, would add to the Public Works and Economic Development Act. This provision would require that no demonstration grant under the Title IX may be approved by the Secretary of Commerce unless it includes the payment from the grant of extended unemployment assistance for workers unemployed as a result of an "economic adjustment need." Assistance would be limited to 1 year after the commencement of the unemployment.

In our judgment, this provision would be seriously disruptive of the existing Federal-State unemployment insurance system. It would establish a parallel system without providing any standards governing its operation. For example, individuals with no previous work experience would apparently be eligible for a full year of benefits under the program. The provision contains no standards regarding benefit levels, or individual qualification requirements. It leaves unclear its relationship with existing unemployment compensation programs. The program would be discriminatory in its application. It would apply in areas selected for demonstration programs without regard to the level of unemployment existing in those areas and the resulting difficulties in obtaining suitable

employment. By vesting responsibility for administration of the provision in the Department of Commerce, the bill would fragment administration of the Nation's unemployment insurance laws which are administered primarily by the Department of Labor and State employment security agencies. The provision contains serious drafting flaws.

On the basis of our experience in the administration of the Nation's unemployment insurance laws, we do not believe that the proposed provision would be useful as a demonstration program or would justify the substantial expenditure of funds which it is likely to entail.

The Administration has proposed and sent to the Congress a bill entitled the "Job Security Assistance Act of 1974." This bill is before the House Ways and Means Committee, which has held hearings on the proposal. Title II of that bill would provide a temporary program of supplementary unemployment compensation for workers ineligible for unemployment compensation and those who have exhausted their benefits under existing programs. The program is applicable to workers in areas of high unemployment.

The Administration proposal is a carefully developed measure which would specify the particular conditions under which benefits would be payable, establish eligibility criteria, indicate the benefit levels which would be payable, provide a realistic duration period for benefits, and indicate the relationship between the special benefits program which it would establish and other unemployment compensation programs available to workers.

We strongly urge that the proposed provision be deleted from H.R. 14883 and the Administration's proposed "Job Security Assistance Act of 1974" be enacted.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of the Administration's proposed "Job Security Assistance Act of 1974" would be in accord with the program of the President.

Sincerely,

PETER J. BRENNAN,  
Secretary of Labor.

Mr. BLATNIK. Mr. Chairman, I rise in opposition to the amendment. We have had a great deal of discussion and earnest debate on this somewhat controversial change, which to me and to others is a very important matter. The Administration wanted to delete any provision for extended unemployment assistance and I think that position is totally shortsighted and uncalled for.

It is another example of the administrations attitude toward the economic development program. You will remember how the administration tried to kill the entire EPA program and to strangle it to death and not provide any funding just last year.

Title IX of H.R. 14883—By way of background—would establish a new demonstration program to test new ways of preventing an area from becoming depressed from severe economic dislocation.

These new approaches to economic adjustment will be tested in a few areas where we can predict that severe unemployment will result from Federal actions such as national environmental standards or defense base closings. This demonstration program will be directed at helping individuals that face unemployment from economic adjustment and providing an opportunity to evaluate the

administration's proposed substitutes for the present economic development programs.

The committee report on this bill contains the supplemental views of some minority members who believe it is undesirable to include mandatory extended unemployment assistance in plans for an economic development and adjustment demonstration project authorized under title IX.

We believe these supplement views are based on erroneous assumptions:

First, we believe such a provision is an essential element for any community-based plan. There is no way to demonstrate economic adjustment in a community with any assurance of success unless there is a way to provide assistance to unemployed workers until other jobs are available. The workers that are being displaced need this assurance in order to keep the communities' labor force from being dispersed.

Congress in other comparable cases, has already recognized that this kind of standby assurance that the workers can count on is badly needed because of the likelihood that it will take longer than the regular period of unemployment compensation, usually 26 weeks, to create new jobs. For instance, the Disaster Relief Act that was passed just a few weeks ago provides up to a year of unemployment compensation. The Trade Expansion and Adjustment Act provides up to 2 years of benefit payments.

Second, this would not be an extremely expensive program as claimed in the supplemental views. Title IX of H.R. 14883 is clearly a demonstration program that will be limited to a small number of projects during the first 2 years—probably not more than half a dozen. The cost estimates projected in the supplemental views for 100,000 to 1,000,000 unemployed are clearly beyond any possible scope of a demonstration program. For instance, the example cited in the committee report, the possible closing of the Reserve Mining Co. in Minnesota, the maximum cost of providing supplemental unemployment benefit payments for even 5,000 workers from the grant for up to a year would be less than \$5,009,000.

Hopefully, of course, none of the grant funds would be needed to pay extended unemployment compensation. If the economic adjustment demonstration is successful, new jobs would be available by the time they are needed and unemployment will be avoided.

In any case, the purpose of this limited demonstration program is to find out just how effective and expensive the new programs suggested by the administration will be before Congress considers new, broader legislation to replace the present economic development program.

Third, this demonstration program will not be difficult to administer. The report makes it clear that any unemployment assistance will be clearly supplementary to any other unemployment compensation, and will be paid from the demonstration grant—not from other unemployment compensation funds. The report also makes it clear that, wherever possible, the State employment security agencies will administer this program to prevent any overlap or duplication and

insure that it will be closely coordinated with other programs such as help for retraining of unemployed workers. The supplementary benefits will be administered wherever possible without imposing any requirement to amend existing State legislation.

Because of the clearly limited experimental nature of the demonstration program authorized in title IX of this bill, we do not consider this as undermining the present system or establishing any precedent for future changes in the basic unemployment compensation legislation that may be considered by the House.

At the same time, however, I would like to say that the gentleman from Ohio has been more than fair and considerate. Perhaps this amendment to permit some discretion in extending unemployment assistance does have merit. I concede the gentleman has a point in view of the fact that these will be demonstration projects and will be limited in number. To be more precise, we expect there will be only 6 or 8 or 10 at the most, and it may be a little too arbitrary to require a very detailed and precise inclusion of unemployment compensation in all of these exploratory demonstration projects. I can see where some may not require it and concede the gentleman's position may have merit in some cases.

But likewise I also want to make it very clear that it is the people who are unemployed through no fault of their own who need these assurances. We can plan all the way from now until next year and the year after that, but think of the young man around the age of 30 or 35, or even worse around 38 or 42, who sees that his job is going to disappear. That man is not going to stand around waiting in the hopeful expectation that some kind of economic program is going to somehow work out that will give him another job.

He has house payments to make, dental payments to make, medical bills, insurance to pay, car payments and what not; the possible loss of a job is a tremendous threat so 9 times out of 10 he will go to another area to find a job. Not that he wants but he will be forced to do it. That is what they have been doing. And we have found in too many cases he will not be able to sell his house and so he still has house payments to make at home. So we feel that by giving him some assurance, like "Look, if you do lose your job you will have at least 1 year of unemployment compensation and whatever other training and relocation benefits that are available." At the least he will know he has something to fall back on and an underpinning to rely on. There will certainly be an incentive to implement unemployment assistance with parttime work or going into a vocational school that is not too far away and getting some job retraining.

So I am opposed to any attempt to knock out this unemployment assistance.

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

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

Mr. HARSHA. Does the distinguished chairman know that the section contains that provision?

Mr. BLATNIK. Yes, the amendment makes it discretionary.

Mr. HARSHA. I agree there may be many that at times actually need this additional assistance, or I would offer an amendment to strike all of it. I have only gone a half step to make it discretionary so that there will be the provision in here for extended unemployment compensation in those areas needing such assistance, particularly where the Federal Government is at fault.

I think my amendment does that. It retains the provision making it discretionary, so that it can be provided if the circumstances warrant it; but to require it in a demonstration program in every situation seems to be far afield from the intended purpose of the title.

Mr. BLATNIK. I will say, the gentleman has gone more than half way across the road to try to solve this unemployment compensation problem. Those of us who recognize the justifiable concerns of those threatened with unemployment when something like a defense base is going to be closed want to do all we can for these people, and I hope our position will be sustained in order to allay their fears and justifiable concerns. Yet we must concede that there may be demonstration projects in which it would be arbitrary, and perhaps unnecessary, to mandate a requirement for extended unemployment assistance.

Mr. BAKER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio. I speak in favor of this amendment for many reasons. The subparagraph as currently written requires unemployment assistance to be paid for up to a year to individuals unemployed as a result of an economic adjustment need of the eligible recipient for a title IX grant. The unemployment compensation system in title IX would result in a fragmented and inequitable unemployment benefit program. I share the view of the Department of Labor, which is opposed to the creation of special unemployment compensation programs for limited groups of workers. The Federal/State unemployment insurance system is the basic source of protection for all covered workers when they become unemployed, regardless of the cause of unemployment.

It is uncertain who would administer this program. If the Federal Government administers it, this would superimpose the Federal system on top of the existing Federal/State system, resulting in a duplication of efforts. Since EDA does not have the staff nor the experience to administer this type of program, the Department of Labor would possibly then administer it. Accordingly, any unemployment program should be implemented by amending existing Department of Labor unemployment compensation legislation rather than EDA legislation. Furthermore, this program cannot be justified on a demonstration basis since unemployment insurance has been in existence since 1935 and does not require demonstration of its effectiveness.

A major inequity in the title IX unemployment compensation system is that it appears that anyone can qualify for title

IX unemployment benefits. A man who had worked only 1 day before becoming unemployed could receive the same benefits as a man with 20 years of steady employment before becoming unemployed. Again, the legislation does not address itself to this vital matter.

In 1972 Congress passed amendments to the Public Works and Economic Development Act of 1965, as amended and contained therein was a provision for extended unemployment for workers affected by environmental orders. The proposed benefits of the 1972 amendments were unwise, premature, and lacking in sufficient safeguards against abuse. Ultimately, the President vetoed this legislation because of the unemployment provisions in that bill. As the sponsor has said the administration is opposed to H.R. 14883, as reported, because of the mandatory unemployment feature contained in title IX. I would not want to see the substantial progress in economic development made through this legislation exposed to an uncertain future because of this single provision.

I urge adoption of this amendment.

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

The amendment was agreed to.

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: Page 16, line 6 strike out "(including an economic development district)" and insert "(including a redevelopment area and an economic development district)".

Ms. ABZUG. Mr. Chairman, this amendment is offered to overcome any ambiguity which may exist in the present list of possible applicants for economic development planning grants. There was some confusion as to the meaning of "sub-State planning and development organization," yet no definition of this term has been included in the bill. By listing only "an economic development district" the implication may be that "a redevelopment area" is not included in the definition of "sub-State planning and development organization."

Mr. HARSHA. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, I understand the gentlewoman's amendment is a clarifying amendment?

Ms. ABZUG. Exactly.

Mr. HARSHA. As a matter of fact, the practice is done now, but this clarifies the law and deletes any ambiguity that may exist?

Ms. ABZUG. That is correct.

Mr. BLATNIK. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Chairman, I agree with the gentleman from Ohio. As the gentlewoman states in her explanation, there has been some confusion. Some Members feel that while it is adequately taken care of in existing language, this

clarifies the situation, and we accept the gentlewoman's amendment.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I concur with the earlier statements made by the distinguished ranking minority member, as well as the distinguished chairman of the Committee. The minority accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG).

The amendment was agreed to.

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

I take this time to say to my colleagues, particularly on this side of the aisle, that we have a good program here, and we have worked with the administration for a number of months on it.

The administration came up with a new proposal dealing more or less with the block-grant approach to this program. It is patterned after the revenue-sharing mechanism that the administration has been advancing.

Those of us on the committee who, over the years, have worked with this program and seen the successful administration of this program by the present administration, felt that we were not quite ready yet to accept the block-grant approach or the revenue-sharing approach that was endeavored to be attained by the administration. There were too many questions left unsatisfactorily answered. Therefore, what we have done is to extend our present program for a period of 2 years, and we have provided, in addition to that part of the administration's approach to this whole problem of dealing with economically depressed areas through a special program, a special title, so-called title IX, which gives the administration all of the flexibility they need, which gives them the ability to use the block-grant approach, and which, by the extension of the program for 2 years, in my judgment, gives the administration time to gear up to use title IX. It probably will take up to 6 months to gear up for this program. With a simple 1-year extension, it would be impossible to evaluate the success of this new approach to economic development.

Therefore, when they wanted only a 1-year extension, we felt that they could not properly evaluate their approach to this problem, and certainly the committee could not have the benefit of evaluating it and, therefore, could not inform the Members of Congress of the effectiveness of this approach.

We extended the program for 2 years, therefore, and I think that this is a reasonable extension. There were many who appeared before the committee who wanted 4 years and 5 years. As a matter of fact, we had 5 years in the bill, and then it was reduced to 4. The Members heard here today at least one Member who wanted to make the program permanent. Thus, I feel that the committee has gone a long way to resolve its differences, at least on the length of time of the program, with the administration. We have compromised a great deal.



the request of the gentleman from Minnesota?

There was no objection.

#### ANNOUNCEMENT OF CHANGE IN LEGISLATIVE PROGRAM

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

Mr. O'NEILL. Mr. Speaker, I rise to make an announcement.

H.R. 15276 is being postponed until Monday next because the chairman of the committee is in conference with the Senate at the present time.

Tomorrow we will have the Labor-HEW appropriations bill for fiscal year 1975. In view of the fact that the chairman of the committee anticipates that it will be an exceptionally long day of about 9 hours, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, does this mean a Friday session?

Mr. O'NEILL. Yes; it does mean a Friday session. We have scheduled a District of Columbia appropriation bill for Friday, as the gentleman knows. For 6 consecutive weeks we have notified the Members that we would have a Friday session last week and this Friday. It was the intent of the leadership on both sides of the aisle, and it was the agreement, that we would have a session on Friday. In view of the fact that HEW is a long bill with a tremendous amount of amendments that will be offered, it is anticipated at this time that the bill and amendments will take about 9 hours. It would be in the best interests of the House to meet at 10 o'clock. For that reason, I ask unanimous consent to do so.

Mr. GROSS. I had hoped there might be a quid pro quo. The gentleman is driving us pretty hard on these early and late sessions but I guess I can live through it.

I withdraw my reservation of objection.

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

There was no objection.

Mr. O'NEILL. Mr. Chairman, may I say further that there are two unanimous-consent requests, one by the chairman of the Ways and Means Committee, and other than that, that will be the business for today.

#### APPOINTMENT OF CONFEREES ON H.R. 12628, INCREASING RATES OF VOCATIONAL REHABILITATION AND SPECIAL TRAINING ALLOW- ANCES FOR VETERANS

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12628) to amend title 38, United States Code, to

increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. DORN, TEAGUE, HALEY, DULSKI, HELSTOSKI, and HAMMERSCHMIDT, Mrs. HECKLER of Massachusetts, and Messrs. ZWACH and WYLIE.

#### PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORT ON H.R. 13565, NONNUCLEAR ENERGY POLICY ACT

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs have until midnight tonight to file a report on the bill H.R. 13565, Nonnuclear Energy Policy Act.

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

There was no objection.

#### APPOINTMENT OF CONFEREES ON H.R. 14833, EXTENDING RENE- GOTIATION ACT OF 1951

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14833) to extend the Renegotiation Act of 1951 for 18 months, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? The Chair hears none and appoints the following conferees: Messrs. MILLS, ULLMAN, and BURKE of Massachusetts, Mrs. GRIFFITHS, and Messrs. SCHNEEBELI, COLLIER, and BROYHILL of Virginia.

#### PROVIDING FUNDS APPORTIONED FOR FOREST HIGHWAYS REMAIN AVAILABLE UNTIL EXPENDED

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3490) providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended.

The Clerk read the title of the Senate bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, what is the gentleman's proposal? Will the gentleman explain it briefly?

Mr. JOHNSON of California. Mr.

Speaker, if the gentleman will yield I will explain it.

Mr. GROSS. Of course I yield to the gentleman from California.

Mr. JOHNSON of California. Mr. Speaker, this has to do with unused funds in the category of forest highways. There is approximately \$13 million in the forest highway funds that are unexpended at this time and they will lapse on June 30 unless we pass this particular bill for the President's signature. The bill was passed yesterday in the Senate.

There is a slight error in the bill and that will have to be corrected with a minor amendment and then be sent back to the Senate.

Mr. Speaker, this affects 41 States. The States of California, Oregon, Alaska, Idaho, Montana, and Washington are the principal States affected but there are 41 States that are affected. Annually there is \$33 million set aside for forest highways out of the trust fund and this is to be used on forest highway programs throughout the 41 States.

Mr. GROSS. Mr. Speaker, are the Senate amendments germane to this bill?

Mr. JOHNSON of California. Yes, they certainly are.

Mr. GROSS. There is nothing ungermane?

Mr. JOHNSON of California. No, there is nothing ungermane.

Mr. GROSS. Mr. Speaker, I thank the gentleman for explaining the bill and I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 3490

An act providing that funds apportioned for forest highways under section 202(a), title 23, United States Code, remain available until expended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Notwithstanding the provisions of section 118(b), title 23, United States Code, sums authorized for fiscal year 1972 and apportioned to States for forest highways under section 202 (a), title 23, United States Code, shall remain available until expended.*

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: On the first page, line 3, strike out "118(b)" and insert in lieu thereof the following: "203".

The amendment was agreed to.

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

#### PERSONAL EXPLANATION

Mrs. HOLT. Mr. Speaker, on rollcall No. 331, which was a vote on final passage of the bill (H.R. 15572) I was unavoidably detained. Had I been present, I would have voted "aye."

## PERSONAL EXPLANATION

Mr. BREAUX. Mr. Speaker, on final passage of the bill (H.R. 14883) I was unavoidably detained. Had I been present, I would have voted "aye."

CONFERENCE REPORT ON S. 3458,  
DOMESTIC FOOD ASSISTANCE  
PROGRAM

Mr. VIGORITO (on behalf of Mr. POAGE) filed the following conference report and statement on the bill (S. 3458) to amend the Agricultural and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes:

## CONFERENCE REPORT

(H. Rept. No. 93-1154)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended (87 Stat. 221 as amended, 7 U.S.C. 612c note), is amended to read as follows:

"Sec. 4. (a)(1) Notwithstanding any other provision of law, the Secretary of Agriculture shall until July 1, 1975, (1) use funds available under provisions of section 32 of Public Law 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not otherwise expended or necessary for such purposes to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 (which may include seafood commodities and their products) to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs wherever located, disaster relief, summer camps for children, and the family commodity distribution program on Indian reservations not requesting a food stamp program, and (ii) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements.

"(2) Notwithstanding any other provision of law, the Secretary of Agriculture shall, during each of the two fiscal years beginning July 1, 1975, and ending June 30, 1977, purchase agricultural commodities and otherwise carry out the provisions of this subsection with funds appropriated from the general fund of the Treasury. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this paragraph. Authority provided in this paragraph shall be carried out only with such funds as are appropriated from the general fund of the Treasury for that specific purpose, and in no event shall it be carried out with funds derived from permanent appropriations.

"(3) Nothing in this subsection shall supersede the requirements of section 10(e) of

the Food Stamp Act of 1964, as amended, except as to Indian reservations."

Sec. 2. Section 15 of the Food Stamp Act of 1964, as amended, is amended by changing subsections (a) and (b) to read as follows:

"(a) Except as otherwise provided in this section, each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act.

"(b) The Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs, including, but not limited to, the cost of (1) the certification of households; (2) the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; (3) the issuance of such coupons to eligible households; (4) the outreach and fair hearing requirements of section 10 of this Act; and (5) the control and accounting of coupons: *Provided*, That each State shall, from time to time at the request of the Secretary, report to the Secretary on the effectiveness of its administration of the program and no such payment shall be made to any State unless the Secretary is satisfied pursuant to regulations which he shall issue that an adequate number of qualified personnel are employed by the State in the program to administer the program efficiently and effectively."

Sec. 3. Section 3 of the Child Nutrition Act of 1966, as amended (80 Stat. 885, as amended, 42 U.S.C. 1771-1786), is amended as follows:

(a) The first sentence is amended by striking "not to exceed \$120,000,000," and inserting in lieu thereof "such sums as may be necessary".

(b) Section 3 is further amended by adding at the end thereof the following: "For the fiscal year ending June 30, 1975, and for subsequent fiscal years, the minimum rate of reimbursement for a half-pint of milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each fiscal year thereafter, beginning with the fiscal year ending June 30, 1976, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent."

Amend the title of the bill to read as follows: "To continue domestic food assistance programs, and for other purposes."

And the House agree to the same.

W. R. POAGE,

FRANK A. STUBBLEFIELD,

THOMAS S. FOLEY,

WILLIAM C. WAMPLER,

GEORGE A. GOODLING,

Managers on the Part of the House.

HERMAN E. TALMADGE,

GEORGE S. McGOVERN,

JAMES B. ALLEN,

HUBERT H. HUMPHREY,

MILTON R. YOUNG,

ROBERT DOLE,

HENRY BELLMON,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE  
COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, submit the following joint statement to the Senate and

the House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The House amendment strikes all of the Senate bill after the enacting clause and inserts a substitute. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying and technical changes.

(1) The House amendment provides that the title is an Act "to continue domestic food assistance programs, and for other purposes". The Senate bill provides that the title is an Act "to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes".

The Conference substitute adopts the House provision.

(2) The Secretary's authority in Section 4(a) of Public Law 93-86 to purchase commodities that are not in surplus would be mandatory, as proposed by the Senate, but it would be limited in duration for three years rather than permanently as proposed by the Senate or for one year as proposed in the House amendment.

The Conference substitute requires the Secretary to use the authority and funds of Section 32 of Public Law 320, Seventy-fourth Congress, as amended, and Commodity Credit Corporation funds during fiscal year 1975 to carry out the programs provided in Section 4(a) of Public Law 93-86, as amended, but for the following two fiscal years the Secretary's mandate would be tempered by the amounts Congress may provide in annual appropriation bills.

Under the Conference substitute, this program would be carried out after fiscal year 1975 only with funds specifically appropriated for the purposes set forth in Section 4(a) of Public Law 93-86, as amended. The Conference substitute also prohibits the use of permanent appropriations such as "Section 32" for carrying out this program in fiscal years 1976 and 1977.

The Conferees felt that because of the growth of domestic food programs that "Section 32" should be preserved to the maximum extent possible for the surplus removal and other purposes set forth in that statute.

The Conference substitute includes the provision of the House amendment authorizing the Secretary to purchase seafood commodities and their products.

The Conference substitute does not apply to programs carried out under the National School Lunch Act, the Child Nutrition Act of 1966, and Title VII of the Older Americans Act of 1965.

(3) The Conferees wish to clarify the interpretation of the language contained in subsection (b) of Section 4 of P.L. 93-86 relating to "the number of adults participating in the activities" of summer camps receiving commodities under Section 4.

Accordingly, in determining "adult participation" in this food donation program the Secretary should distinguish and exclude those adults who perform basic support functions—such as, for example, persons performing custodial and gardening duties—as compared to those adults who act in direct administrative support of the summer camp programs.

(4) The Senate Conferees agreed to recede with respect to the provisions in Sections 2, 3, and 4 of the Senate bill to treat the administration of the Food Stamp Program on Indian reservations differently from the administration of the program in the States. In lieu of these special amendments to the Food Stamp Act, which expires on June 30,

1977, the Conference substitute would give Indian reservations the option, through June 30, 1977, of remaining in the family commodity distribution program rather than transferring to the Food Stamp Program.

(5) Section 4 of the Senate bill amends section 15 of the Food Stamp Act of 1964 to authorize the Secretary of Agriculture to pay each State agency 62.5 percent of all of the State agency's costs in administering the Food Stamp Program. At present, the Food Stamp Act authorizes the Secretary to pay each State 62.5 percent of only certain designated administrative costs. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment reducing the percentage of administrative costs to be paid by the Secretary from 62.5 percent to 50 percent.

(6) Section 4 of the Senate bill requires that each State report at least annually on the effectiveness of the administration of the Food Stamp Program. No payment of administrative costs shall be made unless the Secretary of Agriculture is satisfied that the State is employing enough qualified personnel to administer the program efficiently and effectively. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the reports shall be made from time to time at the request of the Secretary of Agriculture.

(7) Section 5 of the Senate bill amends section 3 of the Child Nutrition Act of 1966 to establish a five-cent minimum rate of reimbursement for each half-pint of milk served in the special milk program. The minimum rate of reimbursement is to be adjusted annually, beginning with the 1976 fiscal year, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Adjustments are to be computed to the nearest one-fourth cent. Also, in lieu of a stated amount, appropriations of such sums as may be necessary to carry out the program are authorized. The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

W. R. POAGE,  
FRANK A. STUBBLEFIELD,  
THOMAS S. FOLEY,  
WILLIAM C. WAMPLER,  
GEORGE A. GOODLING,

*Managers on the Part of the House.*

HERMAN E. TALMADGE,  
GEORGE McGOVERN,  
JAMES B. ALLEN,  
HUBERT H. HUMPHREY,  
MILTON R. YOUNG,  
ROBERT DOLE,  
HENRY BELLMON,

*Managers on the Part of the Senate.*

#### THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT OF 1976

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

Mr. HAWKINS. Mr. Speaker, assuring continuing full employment is the single most important step in the national interest at this time. Upon its achievement rests economic stability, social morality, and renewed confidence in our national purposes and leadership.

A full employment policy invokes coordinated and responsible planning, promotes essential economic growth, and

reallocations of our resources in a just and equitable manner.

The Employment Act of 1946 represented the first attempt to achieve such policy. It set up the first beginnings of Democratic machinery for national policymaking and planning, annual economic reporting, and a congressional review of Presidential economic policies.

Important though these steps were, the act lacked specificity, was ambiguous in language, and devoid of its original intent: full employment based on a personal right, not merely "high levels of employment" subordinate to other economic interests that encouraged "tolerable levels" of unemployment.

Consequently, although the act has resulted in special guarantees to corporate welfare, it has been of no significant value to the millions of Americans who live in poverty and deprivation, or fear of insecurity and job competition, or who are suffering from race, age, and sex discrimination.

And under this administration, with the approval of the Council of Economic Advisors, the act has been used to create unemployment as a deliberate policy of fighting inflation.

Now to reverse this calamitous outcome and return to the original intent of the Murray-Wagner full employment bill as introduced in 1945, Congressman HENRY REUSS and I have introduced the Equal Opportunity and Full Employment Act of 1976.

Unlike the emasculated 1946 act, our proposal would, first, define full employment; second, provide machinery through our constitutional system to effectuate full employment as our national purpose; third, establish accountability for economic performance; and fourth, insure reasonable redress for the victims of ill-conceived and unjust policies.

An authentic full employment policy rejects the narrow, statistical idea of full employment measured in terms of some tolerable level of unemployment—the percentage game—and adopts the more human and socially meaningful concept of personal rights to an opportunity for useful employment at fair rates of compensation.

This right to employment we believe to be basic and "essential to personal liberties, individual development, the prevention of inflationary shortages and bottlenecks, and the well-being of families, organizations, the national economy, and society as a whole."

Under H.R. 15476, this right is implemented by machinery for the delivery of an actual job opportunity through local planning councils under existing governmental bodies and by a Job Guarantee Office in a totally differently oriented U.S. Employment Service renamed "The United States Full Employment Service." Failure to place a job applicant through this regular system and inability of job-seekers to find employment elsewhere activates temporary and transitional employment in public service on a standby basis.

Under current law no one appears directly responsible for economic performance—neither the President nor the

Congress. President Nixon thusly announces policies freely as if congressional approval were not required then blames Congress for failure. On the other hand, there is no mandate on Congress to initiate alternative economic policy.

The anomaly of this situation is clearly evident in the President's announcements that he will both cut spending to prevent inflation and increase spending to avoid a recession. Equally irresponsible have been recent trends in some congressional areas to impose spending limits on top priority human needs.

Accountability is built into H.R. 15476 through a periodic reporting system. The executive branch is primarily responsible to maintain economic performance, to report on accomplishments, trends, and projections subject to review by the Congress. The Congress in turn through its Joint Economic Committee after review of the President's proposals, may initiate alternative recommendations and institute the initial stages of action by legislation which the President must approve or disapprove.

One of the most unjust things about current economic "policies" is the immoral act of imposing undue sacrifice on hopeless victims. Thus, price stability is sought at the expense of the unemployed. Other groups are required to accept the dead end, "bedpan" jobs. Still other job applicants are left too vague and often nonexistent job openings, to underpaid, and sometimes to illicit activities. Failure of economic policymakers should automatically activate programs of guaranteed employment to alleviate victims. Besides being fair, such an arrangement would discourage ill-conceived policies.

Unfortunately, both executive and congressional policymaking and programming have been based on deceptive statistics that grossly understated the magnitude of the unemployment problem. Statistical magic has reduced the over 20 million unemployed to an arbitrary number under 5 million. The consequences are inadequate programming, public apathy, and political sterility.

Obviously then, to mention just two current programs, the recently passed Comprehensive Employment and Training Act must be seen as grossly inadequate in relation to the true problem. Also Project Independence—to achieve energy self-sufficiency by the 1980's—may also be faulted for curtailing demand—largely through price increases, and thereby creating substantial unemployment.

Through H.R. 15476 with its accountability reporting provisions, such shortcomings are more likely to be exposed, and, even more important, under a policy of full employment effectuated by built-in machinery, such programs—and many others—can be turned into viable tools to serve the national purposes of security, stability, and social justice.

In the final analysis, advocates of full employment must meet two challenges.

The first real challenge is to convince middle America—which sees inflation as the primary danger—that full employment is in the interest of all Americans—not merely a minority concern.

Evidence can be mounted, but must be more effectively displayed, to show the divisive and destructive effects of unemployment on the employed, on welfare, crime, and poverty rates—revenue losses that must be offset by rising taxes—our losses in goods and services—and tremendous unmet needs in the environment, energy, health, and human services.

The other challenge is really political but often stated as one of ideology: to meet that economic mentality which rejects any Federal obligation to deal with the problem of widespread unemployment.

This thinking widely prevalent prior to the New Deal held to the belief that if left alone such problems would be solved in a "self-regulating" economy without institutionalized mechanism.

The 1929 crash exploded this idea and subsequent revelations have tended to place the Federal obligation for dealing with human problems at least on a par with the obsessive concern for the welfare of corporate-financial entities.

Saving human beings from economic disaster through commonsense planning demands no less attention than protecting the banks, saving the railroads, and helping industrial giants to survive.

It would appear we are now at that point when full employment as we conceive it—in the words of the United Nations Task Force, 1949—"marks a historic phase in the evolution of the modern conception of the functions and responsibilities of the democratic State."

I include the following explanation and summary of the Equal Opportunity and Full Employment Act of 1976, as well as a section-by-section analysis:

#### EXPLANATION AND SUMMARY OF THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT OF 1976

The Equal Opportunity and Full Employment Act of 1976 sets out in twelve sections a statutory structure for insuring equal employment opportunities to all groups in the United States society through guaranteeing full employment to all persons able and willing to work.

The Act first sets forth its policy in some detail by stating that "all adult Americans able and willing to work have the right to equal opportunities for useful paid employment at fair rates of compensation." The Act continues to expand upon the initial statement, especially in terms of minorities and other disadvantaged groups in the society. (Section 2).

The Act then establishes the methods for implementing the policy statement.

The first method is to require the President to submit every six months an economic report to the Congress. (Section 3(a)). In this report is mandated detailed findings and recommendations to the Congress that will assure full employment in the nation. A subsequent section of the Act (Section 7) then builds upon the expanded economic report of the President by giving the report the status of executive initiation of legislation which is referred first to the Congressional Joint Economic Committee for a limited period (30 days), and then to the respective Appropriations Committees for their input and/or modifications, also for a like limited period (30 days). After this process is completed, the subject report (the "employment deficit recommendation") becomes a highly privileged matter that may be brought up

for consideration in both chambers by any member of the respective bodies, thus assuring periodic (every six months) consideration by both Houses of the legislation necessary to provide national full employment.

The second method is the creation of an actual structure to provide jobs for all, coupled with the reorganization of the implementing U.S. Employment Service into a service that actually sees to it that every individual willing and able to work is indeed provided with employment of a suitable nature. The Service's name is changed to "United States Full Employment Service" and its functions are greatly expanded, principally with the creation of "Job Guarantee Offices" within the Service's present system. (Section 5).

The Job Guarantee Office system is the key to the effective implementation of the Act's guarantee of equal opportunities and full employment. That system is composed of a number of elements, beginning with the existing prime sponsor planning councils under section 104 of the Comprehensive Employment and Training Act of 1973 (CETA) (called "Local Planning Councils" in the Act).

Other elements of the system, in addition to the Job Guarantee Office and the Local Planning Councils, are (1) Community (Job) Boards, (2) the Reservoir of Public Service and Private Employment Projects, (3) the Standby Jobs Corps, and (4) Community Public Service Work Reservoirs. (Sections 4, 5, and 6.)

Their operation is as follows:

An individual desiring a job would go to the Job Guarantee Office of the local office of the U.S. Full Employment Service. He would be promptly interviewed and a three-step process carried out (Subsection 5(f)). The first step of that process is to refer the individual to available openings offering a high probability of success in the private sector or in that part of the public sector which is not directly dependent upon this Act for funding. If such openings are not immediately available, then the individual is referred to a contracting agency or organization or other entity funded under this Act (Subsection 5(e)) for placement in a job on a project from the Reservoir of Public Service and Private Employment Projects.

The Reservoir is created from public service projects and from private sector projects with public impact planned and proposed by the Local Planning Councils (the CETA Prime Sponsor Planning Councils) and approved by the Job Guarantee Office under regulations adopted by the Secretary of Labor, who is the overall administrator of the Act. These projects include ones that provide "expanded or new goods and services that reflect the needs and desires of the local community, such as social services, community health services, day care facilities, legal aid, public transit, housing, recreation, cultural activities, sanitation and environmental amendment" (Section 4(b)(1)) and other projects such as "infrastructure construction, repair and maintenance," compensation, repair, and maintenance of public buildings, and projects for "charitable and educational purposes." (Section 4(c)(2)). Under CETA overall control of the Local Planning Councils, of course, lies in the unit of general local government. This same principle is followed throughout the Act by placing ultimate authority in the Local Planning Councils in respect to all activities in their geographical area, such as the Community Job Boards, Community Public Service Reservoirs, and the Standby Job Corps.

If, after the above two steps have been taken and the individual is still without a job or an imminent prospect of one, then the third step is immediately in order: Registration in the Standby Job Corps.

Registration in the Standby Job Corps is required immediately upon presentation at the Job Guarantee Office unless referral under the first two steps offers at the time of presentation "a high probability of success within 5 days." (Subsection 5(f)).

Registration has two immediate consequences:

The individual immediately begins to receive a payment in the nature of compensation, which payment (a) "bears a positive relation to (his or her) qualifications, experience and training," (b) "is such that will effectively encourage (him or her) (from an economic standpoint) to advance from the Corps to other employment," and (c) is not "less than the minimum wage in effect in the area." (Section 6(a)(2)(B).)

Second, the individual is immediately put to work on a job that is a part of a project drawn from the Community Public Service Work Reservoir that has been established by the Community Board.

The Community Boards are established by the Local Planning Council in the particular community or neighborhood area and reflect the population of the area. The Community Boards create Reservoirs of Community Public Service Work Reservoirs. All of the Community Boards' actions are subject to the supervision of the Local Planning Council. The Community Boards may themselves establish and administer particular projects, designate non-profit organizations, local governmental agencies, or other groups of a public service nature to receive Standby Job Corps assistance, or otherwise provide work opportunities for the Corps members. (Subsection 4(c).)

The Reservoir of Community Public Service Work Reservoirs may include all types of activities useful to the community. (Section 4(c)(2).) These listed in the Act by way of example are (1) infrastructure construction, repair and maintenance, (2) assistance to any member or group of individuals mentioned in a list of disadvantaged categories of persons, (3) construction, repair or maintenance of public buildings, (4) combating drug abuse, (5) charitable and educational purposes, (6) public recreation, (7) juvenile delinquency prevention, (8) assistance to the elderly and disabled, and (9) environmental control.

It is contemplated that a maximum limitation—such as one or two months—will be placed upon the time that an individual may be kept in the Standby Job Corps prior to placement in a "suitable and comparable job," under either of the previous two steps mentioned earlier.

The mandate of the Act is, of course, to require the Secretary of Labor to administer the system so as to place the shortest reasonable period of time upon the individual's stay in the Standby Job Corps.

The final method established by the Act to implement the policy statement is ultimately to give the individual a judicially enforceable right to sue if his right to employment established, guaranteed and implemented by the Act is not enforced in his or her case. (Subsection 5(g)).

Strong prohibitions against discrimination on the grounds of sex, age, race, color, religion, or national origin are placed throughout the bill.

Realizing that the legislation requires a somewhat extended period for implementation, staged periods over five years are provided for in section 8. This timing for implementation is established by the President.

To provide the necessary back-up research and technical expertise and data, a National Institute for Full Employment is created which is required to address itself to the supplying of the data and the studies needed to achieve an ongoing implementation of the Act with maximum benefit to the American people and to the economy. (Section 9).

## SECTION-BY-SECTION ANALYSIS

Section 1. The Act is to be cited as "The Equal Opportunity and Full Employment Act of 1976."

Section 2. Section 2 contains the declaration of policy. (a) The right of all adult Americans able and willing to work to equal opportunities for useful paid employment at fair rates of compensation is declared by the Congress. (b) The Congress further declares that the free exercise of that right by all, irrespective of sex, age, race, color, religion, or national origin is essential to personal liberties, individual development, the prevention of inflationary shortages and bottlenecks, and the well-being of families, organizations, the national economy and society as a whole. (c) The principle is stated that only under conditions of genuine full employment and confidence in its continuation is it possible to eliminate the bias, prejudice, discrimination, and fear that have resulted in unequal employment under unequal conditions of women, older people, younger people, and members of racial, ethnic, national, or religious minorities. (d) The Act then points out that, to the extent that Americans may not be able to exercise the right to equal opportunities for useful paid employment at fair rates of compensation: (1) the Country is deprived of the larger supply of goods and services made available under conditions of genuine full employment, of the trained labor power prepared to produce needed goods and services, and of the larger tax revenues received at all levels of government, without any changes in tax rates, under conditions of genuine full employment, (2) inflationary shortages and bottlenecks are created, (3) the job security, wages, salaries, working conditions and productivity of employed people are impaired, (4) families are disrupted, (5) individuals are deprived of self-respect and status in society, and (6) physical and mental breakdown, drug addiction, and crime are promoted.

(e) The Act declares the responsibility of the Federal Government to enforce this right, to redress such past and present deprivations and impairments of this right to the maximum extent feasible, and to prevent such deprivations and impairments in the future by developing and administering such policies and programs as may be needed to attain and maintain genuine full employment.

The final subsection (f) mandates that such other national economic goals as price stability and a favorable balance of payments be pursued without qualifying, limiting, compromising, or undermining the rights and guarantees established in the Act.

Sec. 3. Subsection 3(a) sets forth the Full Employment and Production Program that is required to be presented to the Congress by the President. The subsection mandates the President to transmit with his or her economic report to the Congress required by the Employment Act of 1946, and to regularly revise and update every six months, a Full Employment and Production Program, both long-range and short-range, which, in addition to the requirements of the Employment Act of 1946, must set forth in summary and detail:

(1) the estimated volume of goods and services, both private and public, required to meet human and national needs, including but not limited to food, fibers, raw materials, energy resources, production facilities, housing, consumer goods, utilities, transportation, distribution, communication, day care facilities, education, health, welfare, artistic and cultural activities, scientific and technological research, and general government services;

(2) the estimated levels and types of paid employment, both part-time and full-time, required to provide the volume of goods and services set forth in paragraph (1);

(3) the estimated levels of expenditures

for investment, consumption, and other purposes, both private and public, needed to provide the levels and types of paid employment set forth in paragraph (2);

(4) whatever shifts in output, employment, and expenditure patterns, or appropriate expansions in desirable alternative activities or facilities, which may be required to facilitate necessary reductions and conversions in military and other industrial activities or facilities;

(5) a full and detailed review of actions attempted or accomplished under the Act and whatever changes in administrative policies and legislation may be needed to achieve the objectives set forth in paragraphs (1), (2), (3), and (4), and

(6) a review of such related considerations as price levels, international trade, capital export and import, exchange rates, the concentration of economic power, the extent of monopolistic or oligopolistic control over various markets, and the level and distribution of income and wealth, and of wages, salaries, and property income.

Subsection 3(b) renames the annual manpower reports of the President the "Labor Reports of the President" and requires additional detailed treatment on a continuing and progressively analytical basis to:

(1) the changing volume and composition of the American labor supply, by major areas of the country, with special emphasis on the total number of people able and willing to work under varying conditions of remuneration and suitability, the extent of various forms of involuntary unemployment and underemployment, (including those not working or seeking to work but able and willing to work if suitable opportunities were presented, and those between jobs), estimates of recent, present and prospective shortfalls in private and public employment opportunities, the impact of mobility and immigration, and the volume of national product lost by such waste or insufficient use of available labor power;

(2) the loss of productive labor power, together with associated lost production, as a result of discrimination on the basis of sex, age, race, color, religion, or national origin;

(3) the need for greater opportunities for part-time paid employment with related fringe benefits and job security protection;

(4) the implications of continuing full employment for possible increases in voluntary leisure, for reductions in the daily, weekly, monthly or annual hours of paid work, for flexible work schedules, for paid vacations and sabbaticals, and for more extensive combinations of education and employment;

(5) the associated problems of the nature and environment of work, the quality of work, career opportunities, productivity and related problems of work content, job satisfaction, labor-management relations, and worker participation in employment decisions, and

(6) the national implications of the Reservoirs of Public Service and Private Employment Projects developed by the local Planning Councils under Section 5 of the Act.

Sec. 4. Section 4 establishes the Local Planning Councils (by adopting the Prime Sponsor Planning Councils set up by section 104 of the Comprehensive Employment and Training Act of 1973 and giving them executive functions in addition to their advisory functions under CETA) and sets out their functions, powers and responsibilities. Subsection (a) is a recognition by the Congress that (1) the specific identification of local needs for additional goods, services, and employment opportunities can best be handled by local governments, communities, groups and individuals, and (2) to carry out their functions under the Act, the President, the Secretary of Labor and other officials and agencies of the Federal government need the continuing input of ideas, proposals, advice

and criticism from local governments, communities, groups and individuals.

Subsection (b) amends section 104 of CETA by adding a new paragraph requiring the Local Planning Councils to assume the additional functions of (1) identifying local needs for additional employment opportunities, and, under guidelines to be established by the Secretary of Labor, selecting and planning projects to provide a Reservoir of Public Service and Private Employment Projects to supplement available employment. Such projects must include expanded or new goods and services that reflect the needs and desires of the local community, such as social services, community health services, day care facilities, legal aid, public transit, housing, recreation, cultural activities, sanitation and environmental improvement (including projects listed in clause 4(c) (2) below); and

(2) taking part in monitoring and evaluating programs under the Equal Opportunity and Full Employment Act of 1976 in accordance with standards and criteria published by the National Institute for Full Employment and pursuant to guidelines established by the Secretary of Labor.

Subsection (c) directs each Local Planning Council, pursuant to regulations adopted by the Secretary of Labor, to provide for:

(1) The establishment of Community Job Boards in community or neighborhood areas which form a feasible and cohesive unit for supplying public service job opportunities. Such Community Job Boards (A) must to the maximum extent feasible be elected by the residents of the community or neighborhood area and shall fairly represent all segments thereof; and (B) are subject to the supervision and review of the local planning councils where they exist; and

(2) The establishment of Community Public Service Work Reservoirs through action of the Community Job Boards. Such Reservoirs are to include, but are not limited to, projects for (A) infrastructure construction, repair and maintenance, (B) assistance to any member or group of individuals mentioned in subsection 5(d), (C) construction, repair or maintenance of public buildings, (D) combating drug abuse, (E) charitable and educational purposes, (F) public recreation, (G) juvenile delinquency prevention, (H) assistance to the elderly and disabled, (I) environmental control and (J) such other purposes as the Secretary may designate;

Sec. 5. Subsection (a) renames the United States Employment Service the "United States Full Employment Service." Subsection (b) gives the new U.S. Full Employment Service under the general direction of the Secretary of Labor the responsibility to assist in the establishment of, in each labor market area in the country in conjunction with the Local Planning Councils acting under section 5(b), the Reservoir of Public Service and Private Employment Projects.

Subsection (c) creates a Job Guarantee Office in the U.S. Full Employment Service headed by a Job Guarantee Officer whose responsibility is to provide useful and rewarding employment for any American, able and willing to work but not yet working, unable otherwise to obtain work and applying to the office for assistance. The Job Guarantee Office is required to carry out its responsibilities under the Act in connection with the implementation of subsection (e) (relating to agreements to implement the Reservoir of Public Service and Private Employment Projects) upon the recommendation and approval of the Local Planning Councils. Nothing in the Act precludes the Job Guarantee Office from contracting directly with the Local Planning Councils for (1) the administration of individual Public Service and Private Employment Projects or (2) the overall administration of all or any part of such projects within the jurisdiction of the Local Planning Councils.

Subsection (d) provides that each Job Guarantee Office in carrying out its responsibilities shall ensure that among projects planned that adequate consideration be given to such individuals and groups as may face special obstacles in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance including but not limited to counseling, training and, where necessary, transportation and migration assistance. Such individuals and groups shall include (1) those suffering from past or present discrimination or bias on the basis of sex, age, race, color, religion or national origin, (2) older workers and retirees, (3) the physically or mentally handicapped, (4) youths to age twenty-one, (5) potentially employable recipients of public assistance, (6) the inhabitants of depressed areas, urban and rural, (7) veterans of the Armed Forces, (8) people unemployed because of the relocation, closing or reduced operations in industrial or military facilities, and (9) such other groups as the President or the Congress may designate from time to time.

Subsection (e) provides that, for the purpose of drawing on the Reservoir of Public Service and Private Employment Projects and providing employment opportunities to applicants, each Job Guarantee Office may (subject to the limitations specified in subsection (c)) enter into agreements with public agencies and private organizations operating on a profit, non-profit, or limited-profit basis. Such agreements are to contain assurances that the agency or organization will:

(1) provide an annual independent audit to the Job Guarantee Office. The agency or organization must at all times make its records and books available to reasonable review by agents of the Job Guarantee Office;

(2) not discriminate on the grounds of sex, age, race, color, religion, or national origin in the administration of any program encompassed within the agreement;

(3) observe the prohibitions contained in Chapter 15 of Title 5 of the United States Code (relating to political activities in federally-funded projects); and

(4) submit an annual report to the Job Guarantee Office detailing its activities under the agreement.

Subsection (f) sets forth the direct responsibility of the Job Guarantee Office to ensure that any person willing and able to work (a "job seeker") is provided the opportunity to be employed at a suitable and comparable job (as defined elsewhere in the Act). For the purpose of fulfilling this responsibility the Job Guarantee Office is required to, as appropriate:

(1) Refer job seekers to the private sector and general public sector employment placement facilities of the Full Employment Service (other than as supplemented by the Act);

(2) Directly refer job seekers for placement in positions on projects drawn from the Reservoir of Public Service and Private Employment Projects; and

(3) Register job seekers in the Standby Job Corps (as established elsewhere in the Act).

The Secretary of Labor is directed to provide by regulation for procedures to assure that registration in the Standby Job Corps shall occur upon presentation of the job seeker to the Job Guarantee Office unless a placement process is begun for private or other public service employment (including employment in the Reservoir of Public Service and Private Employment Projects) which presents a high probability of success within 5 days.

Subsection (g) sets forth that, for the purposes of the Act, any job seeker who presents himself or herself in person at the Full Employment Office shall be considered

prima facie "willing and able" to work. This specifically includes persons with impairments of sight, hearing, movement, coordination, mental retardation, or other handicaps. The subsection is implemented by the Job Guarantee Officer, pursuant to regulations issued by the Secretary. Such regulations must provide for:

(1) an initial determination by the Job Guarantee Officer as to the job seeker's ability to work;

(2) compliance with Section 703 of the Civil Rights Act of 1964;

(3) such administrative appeal procedures as may be appropriate to review such determination where adverse to the job seeker;

(4) termination of such appeal procedures within 30 days; and

(5) placement of such job seeker on the payroll of the Standby Job Corps pending such appeal or any judicial review thereof.

Subsection (h) provides that the district courts of the United States shall have jurisdiction of any action brought seeking relief pursuant to the Act, including injunctive, declaratory, and other forms of relief as well as damages. Any person deprived of rights secured by the Act is entitled in an action brought against the United States to recover damages, together with costs and attorneys' fees.

Sec. 6. Section 6 establishes the Standby Job Corps (SJC). Subsection (a) creates the SJC and states that the SJC shall consist of job seekers registered under the Act. The Corps is available for public service work upon projects and activities that are approved as a part of Community Public Service Work Reservoirs established by the Community Job Boards.

Subsection (b) requires the Secretary of Labor, by regulation, to provide for:

(1) assurance that job seekers registered in the Standby Job Corps (hereafter called "Corps members") maintain a status of good standing, which status must include attendance and performance standards;

(2) a system of compensation for Corps members which must:

(A) provide that Corps members receive a monthly-rated sum based upon their employment at a suitable and comparable job (as defined in paragraph (B) below);

(B) contain a definition of a "suitable and comparable job" which takes into account, among other factors, the following:

(i) No Corps member is to be paid less than the minimum wage in effect in the area; and

(ii) Corps members are to receive compensation ((a)) that bears a positive relationship to their qualifications, experience and training; and ((b)) that is such that will effectively encourage them (from an economic standpoint) to advance from the Corps to other employment;

(3) the fullest possible planning and operational control of the local Standby Job Corps program at the community and neighborhood level (consistent with overall supervision by the Local Planning Councils);

(4) full and effective prohibition of (A) discrimination on grounds of sex, age, race, color, religion, or national origin and (B) improper political activity;

(5) reasonable oversight and reporting in respect to projects utilizing corps members; and

(6) assurance that no activities undertaken pursuant to this subsection will adversely affect prevailing wage rates in the area.

Sec. 7. Section 7 gives major additional responsibilities for implementation of the Act to the Congressional Joint Economic Committee. Subsection (a) provides that, in addition to its responsibilities under the Employment Act of 1946, as amended, (15 U.S.C. 1022) the Joint Economic Committee must:

(1) annually review the activities of the executive branch under all sections of this Act;

(2) regularly conduct on its own behalf, or in cooperation with or through the facilities of the appropriate legislative committees or subcommittees of the Senate and the House, public hearings in as many labor market areas as feasible, with special emphasis on opportunities for hearing petitions and complaints by individuals and groups who feel that they have been denied their rights to employment opportunities or have been injured directly or indirectly by policies and programs designed to guarantee the exercise of rights; and

(3) annually report upon, with its own conclusions and recommendations, the development and administration of the policies and programs mandated by the Act.

Subsection (b) provides the procedures for effective Congressional implementation of the full employment and production program initiated by the President under subsection 3(a). The subsection requires that:

(1) In addition to its responsibilities under subsection (a), the Joint Economic Committee must, within 30 days of the submission of the bi-yearly full employment and production program as required pursuant to subsection 3(a):

(A) review that program and suggest whatever modifications the committee deems advisable;

(B) submit the modified program to the respective Houses of the Congress, together with the committee's comments on all parts thereof, including a justification for all modifications made in the program as submitted by the executive;

(C) submit a recommendation to both Houses of the Congress as to the sums needed to be appropriated to finance such program as submitted pursuant to clause (B) above (called the "employment deficit recommendation");

(2) The Full Employment and Production Program, as modified and as submitted, and the employment deficit recommendation must be forthwith referred to the Appropriations committees of the respective Houses for a period of 30 days. Those committees are required to (1) recommend appropriations consistent with the employment deficit recommendation and (2) make such other recommendations as they deem advisable.

(3) At any time after the expiration of the 30 days specified in paragraph (2) above it is a highly privileged motion in both Houses of the Congress that may be made by a member of either body for the immediate consideration of the employment deficit recommendation of the Joint Economic Committee as a joint resolution of the respective body appropriating the sums specified in the employment deficit recommendation.

(4) After the making of that motion it is then immediately in order to consider the recommendations made by the Appropriations Committee.

(5) Three legislative days after the making of the motion specified, there is, upon motion made, no further debate, amendments, or other proceedings in regard to the employment deficit recommendation and a vote on all pending amendments and final passage is ordered forthwith.

Sec. 8. Section 8 provides for implementation of the Act by stages. Subsection (a) states that the Congress recognizes that (1) the full objectives of the Act cannot be attained immediately upon its enactment, (2) considerable time will be needed to develop the Full Employment and Production Program, the research work under the National Institute for Full Employment, the Local Planning Councils, the Community Job Boards, the Community Public Service Work Reservoirs, the Standby Jobs Corps, the Reservoirs of Public Service and Private Em-

ployment Projects, the U.S. Full Employment Service, the Job Guarantee Offices, and the additional responsibilities of the Congressional Joint Economic Committee, and (3) the implementation of the Act therefore must be accomplished in a series of stages.

Subsection (b) provides that the President is authorized and directed to provide, by regulation, guidelines and otherwise, for the full implementation of the Act by the end of the fifth calendar year after its enactment, at which time the provisions of subsections (g) and (h) (relating to judicial enforcement) shall enter into effect. This subsection is not to be construed to prevent the President from effecting full implementation of the Act by an earlier date, including the provision of the entering into effect of subsections 5(g) and (h) by such earlier date.

Subsection (c) declares that it is the policy of the Federal government that the full objectives of the Act be attained no later than the end of the fifth calendar year after its enactment, and toward this end the Full Employment and Production Programs submitted to the Congress by the President must include his or her specific quantitative and qualitative targets spelling out these objectives, and the Local Job Councils must spell out similar quantitative and qualitative targets for their respective geographical areas.

Section 9. Section 9 establishes the National Institute for Full Employment. Subsection (a) affirms that the Congress recognizes that (1) in the absence of genuine full employment, as defined in this Act, many Federal policies and programs have been based on the presumption of the continuing lack of suitable employment opportunities for large numbers of people able and willing to work, and (2) to carry out their functions under the Act, the President, the Secretary of Labor, the local Planning Councils, the Community Job Boards, the Job Guarantee Offices, the Full Employment Service and the Congressional Joint Economic Committee need the support of long-range, continuing, serious and objective studies of the many changes required in such Federal policies and programs to gear them more closely to the Full Employment and Production Program, its continuing adjustment and improvement, and its implementation.

Subsection (b) provides that, to develop and administer a long-range program of such studies, there is established a National Institute for Full Employment within the Department of Labor, under a director to be appointed by the Secretary of Labor, and to operate in continuing consultation with a National Commission for Full Employment Policy Studies.

Subsection (c) requires that the Director of the Institute:

(1) serve for a term of three years but be removable, with or without cause, by the Secretary;

(2) be compensated at the rate provided for Grade 18 of the General Schedule set forth in Section 5332 of Title 5, United States Code. The Director's position is in addition to the number of positions placed in Grade 18 of the General Schedule under Section 5108 of Title 5, United States Code;

(3) appoint a Deputy Director of the Institute and such other employees as required to perform the functions of the Institute; and

(4) appoint, for terms not to exceed three years, without regard to the provisions of Title 5 of the United States Code governing appointment in the competitive service, and compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical or professional employees of the Institute as the Director deems necessary to accomplish the Institute's functions and also appoint and compensate without regard to such provisions not to exceed one-fifth of

the number of fulltime, regular technical or professional employees of the Institute.

Subsection (d) provides that the National Commission for Full Employment Policy Studies is to:

(1) be composed of 15 members, which must be broadly representative of labor, business, education, the social and natural sciences, the humanities, Local Planning Councils, Community Job Boards, the professions and the general public and which include the Chairman of the Council of Economic Advisors as an ex officio member. The members are to be appointed by the Secretary for terms of four years and to serve at the pleasure of the Secretary;

(2) be provided an executive secretary and other needed staff by the Secretary. The Secretary also is to pay the members of the Commission per diem, travel, and other necessary expenses, together with compensation at a rate not exceeding \$100 per day while performing the business of the Commission;

(3) meet at least once every three months and at such other times as requested by the Director or the Secretary;

(4) choose a Chairman and such other offices as required to perform its business;

(5) advise and consult with the Director in respect to all programs and activities conducted as authorized;

(6) regularly consult with the Council of Economic Advisors; and

(7) perform such other functions as are assigned by the Secretary or by the Director.

Subsection (e) provides that the Institute is authorized and directed to make, or have made through grants to or contracts with individual researchers and private or public research organizations, universities and other government agencies, studies that will include, but need not be limited to, such subjects as:

(1) the policies and programs needed to reduce whatever inflationary pressures may result from full employment, to manage any such inflationary pressures through appropriate fiscal policies and indirect and direct controls, and to protect the weaker groups in society from whatever inflationary trends cannot be avoided or controlled;

(2) the identification of human potentialities that are hidden, undeveloped or underdeveloped because of the lack of suitable job opportunities, encouragement, education or training and of various ways of releasing such potentialities;

(3) the forms of education and training needed to help provide people with the skills, knowledge and values required by existing employment opportunities and technologies and needed to assist in developing such new types of goods, services, technologies and employment opportunities as may better meet human needs;

(4) the policies and programs needed to substantially eliminate substandard employment, wages and working conditions and the techniques for establishing standards for employment, wages and working conditions in accordance with changing levels of national output and resources, and regional variations in output, resources and other relevant factors;

(5) the improvement of the quality of employment, in both the private and the public sectors, in terms of (a) satisfactions for employees, (b) the efficiency and productivity of work done, and (c) the satisfactions of clients for and consumers of the goods or services provided;

(6) such policies and programs as may be needed to enable small and independent business enterprises to benefit from the provisions of the Act and protect them against any unfavorable consequences that may result from actions taken to implement it;

(7) alternative organizational forms and operating methods for the Local Planning Councils mandated under Section 4, as well

as additional methods of encouraging participatory and decentralized planning of employment policies and programs.

(8) the standards and criteria to be used by the Local Planning Councils (pursuant to subsection 4(b)) to monitor and evaluate programs under the Act;

(9) the problems of the special priority individuals and groups referred to in subsection 5(d);

(10) the integration of existing programs of welfare assistance, income maintenance and unemployment compensation with the payments made to people under Section 6 of the Act;

(11) improved methodologies for conducting studies in all such areas, with special attention to the methodological problems involved in utilizing skills and techniques that may transcend established disciplinary boundaries; and

(12) a comprehensive program for such economic and social indicators, both quantitative and qualitative, as may be needed for the continuous and objective monitoring of basic economic and social trends in the performance, structure, and environment of the American economy and society.

Subsection (f) requires that the Institute, in developing its program, encourage divergent approaches to each area of policy study, shall keep the Local Planning Councils informed on the nature of research in process and disseminate widely the results of all completed research.

Section 10. Section 10, entitled "General Provisions," contains two subsections. Subsection (a), entitled "Nondiscrimination," mandates that no person in the United States on the ground of sex, age, race, color, religion or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under the Act.

Subsection (b), entitled "Labor Standards," requires that:

(1) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair including painting and decorating or projects, building, and works which are federally assisted under the Act be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary of Labor will have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276 (c)); and

(2) The Job Guarantee Office cannot enter into any agreement under Section 5 of the Act nor develop any project for the Reservoir of Public Service and Private Employment Projects until it has determined that such agreement or project will provide—

(A) that appropriate standards for the health, safety, and other conditions applicable to the performance of work and training or any project are established and will be maintained;

(B) appropriate workmen's compensation protection; and

(C) assurances that the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed.

Section 11. Section 11 contains the definitions in the Act, which are as follows:

(1) "Adult Americans" refers to all citizens and permanent residents of the United States who are 16 years of age or older, plus such younger age groups as may be expressly included by local, State, or Federal law and

implemented by administrative regulations under this Act.

(2) "Full employment" is a situation under which there are useful and rewarding employment opportunities for all adult Americans able and willing to work.

(3) "Able and willing to work" means possessing the capacity and motivation to perform for pay productive tasks creative of a useful social product.

(4) "Opportunity" refers to an available and feasible choice.

(5) "Fair rates of compensation" refers to remuneration at wages reflecting regional levels of compensation, statutory minimum wages, or those wages established by prevailing collective bargaining agreements, whichever is highest, and under working conditions consistent with trade union or prevailing standards, whichever is higher.

(6) "Secretary" refers to the Secretary of Labor.

Section 12. Section 12 authorizes appropriations for the fiscal year ending on June 30, 1977, and for each succeeding fiscal year such sums as may be needed to carry out the various sections of the Act.

#### AMERICAN DAIRY INDUSTRY SUFFERS FROM INFLATION

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

Mr. HANLEY. Mr. Speaker, on June 14, the Department of Agriculture issued two press releases of considerable import for the American dairy industry. Reading remarkably like one of those good news—bad news jokes, which have been so popular of late, the Secretary finally announced a drastic curtailment in nonfat dry milk imports, which is good news; yet, at the same time he refused to conduct a public hearing on class I milk prices, which is decidedly bad news. In view of the importance of these decisions, I would like to take a few moments to discuss some of the history and issues behind these developments.

As we know, for years the United States has operated under a limited system of dairy import quotas to protect the American dairy farmer and ultimately the consumer from the disasters of a glutted dairy market. While this has not halted the gradual decline in the number of dairy farmers, the import program along with the Federal price support program traditionally gave the dairy farmer the assurance that there will be a market for his products.

Stability in supply and price has been vital to the dairy industry because of the heavy investment of funds involved.

However, under the free wheeling theories of Secretary of Agriculture Earl Butz, U.S. dairy policy has undergone a dramatic change. Suddenly, during 1973 the USDA opened up the domestic dairy market to a flood of subsidized dairy imports. Butter imports jumped 1,000 percent over 1972 levels. Imported nonfat dry milk, which had claimed only 0.2 percent of the market in 1972, occupied 23.2 percent of the market in 1973. Cheese imports climbed by 80 billion pounds, and milkfat imports more than doubled. Almost overnight the American dairy industry found itself competing with imports which do not have to meet the rigid

sanitary standards of American products, and in many cases these imports were directly and heavily subsidized by foreign governments.

It was argued that such a move would be beneficial to the consumer. By allowing imports into the marketplace the consumer would benefit by the increased supplies which would bring about lower prices for dairy products. However, for a variety of reasons this was not to be the case. Initially, producers eagerly bought large stocks of the cheaper imports but did not bother to pass along the lower price to the consumer. At the same time, demand for dairy products was on the rise, and the year 1974 was expected to see an increased demand in dairy products of some 3 billion pounds. It was hoped that production would increase in response to increased demand.

An important factor in a dairy farmer's production costs is feed grains. Soybeans, corn, and oats are mixed with farm-grown hay to give the dairy cow the high protein diet which has made the American dairy cow the highest producer of any nation. Another source of high protein, the anchovy, mysteriously disappeared from its normal spawning grounds in the winter of 1972. European countries and Japan, which usually rely on the anchovy as a feed supplement, eagerly turned to the American feed grain market, and without any interference from the Department of Agriculture proceeded to buy out the American soybean crop. At the same time, it was discovered that the USDA had arranged to sell almost one-third of our total wheat crop to the Russians. Also included in the deal were large amounts of barley, oats and, of course, the now famous soybean. Within 3 months soybean prices had risen from \$4 a bushel to \$13, and were still rising. Even if a farmer could afford such a steep jump in prices, in many instances the rail freight cars needed to transport stocks were busily hauling grain to the hungry holds of Russian freighters. For 6 long months, while farmers sold off their herds and went out of business, Secretary Butz steadfastly refused to clamp a lid on the exports of grain, until suddenly one day, some 3 months too late, the Secretary acted to limit these exports.

Thus, in mid-1973, the American dairy farmer, usually in good shape at that time of the year, found himself squeezed between unlimited dairy imports on one hand and unlimited exports of feed grains on the other. Fortunately, from that point onward things gradually began to improve somewhat, with the USDA forecasting a record grain crop and increased demand for dairy products keeping prices high. However, the USDA overinflated crop estimates, and while feed grain prices dropped somewhat, they still remained very high and, of course, the dairy imports continued to eat into the domestic market.

More trouble was in store, though, because the USDA again announced new imports of dairy products to meet with an expected increase in demand, and at the same time the Secretary refused to adjust the parity level for dairy products

to an acceptable level needed to encourage American dairy farmers to make the needed expansion to compensate for this jump in demand. And then the consumer started balking at high dairy prices, and demand plummeted, until now, in June 1974, the market is almost glutted, and Secretary Butz finds himself paying out Federal tax dollars in subsidy payments to American dairy farmers.

This brings us up to the two press releases I mentioned earlier. One halts the importation of nonfat dry milk until further notice, a badly needed step that should be highly commended. At long last it seems the Secretary recognizes that unlimited imports are not the key to a healthy dairy industry, a very expensive lesson in farming the American people could have been spared. However, in his press release Secretary Butz makes no reference to the low-parity supports or to the previous flood of imports he authorized which brought about this situation. Indeed, Mr. Butz reserves the option to open up the floodgates to another round of imports at an unspecified time in the future. It seems to me that all too often the people of this country are treated to the spectacle of their own leaders refusing to admit their mistakes and to take effective action to correct them.

It is for this reason that I publicly call on the Secretary of Agriculture to declare openly what this country's dairy policy really is. We have been treated too long to confusing and contradictory agriculture policies under the present administration to continue to allow decisions to be made without ample public participation in the decisionmaking process. It is for that reason that I would like to see a public declaration of not only dairy goals but of the USDA program for agriculture in general. I think if we examine the second press release I mentioned, we will see ample evidence of the continued contradiction in USDA policy.

This second press release announced denial of a request from almost every dairy organization and cooperative in the country for an emergency hearing to stabilize class I milk prices. A substantial segment of the American dairy industry uses the Minnesota-Wisconsin manufacturing grade price to determine what price will be paid to the farmer for his milk. During March of this year the Minnesota-Wisconsin price reached \$8.15 per hundredweight. By the end of April it had rapidly plummeted to \$7.73 per hundredweight, a decline of 42 cents. To put this in perspective, the Minnesota-Wisconsin manufacturing grade price has never dropped over 20 cents in a similar period. At the same time, the rampant inflation that seems to be an administration trademark continued, which for the dairy farmer means higher production costs during a time of declining prices. This had prompted the first unanimous request ever by all dairy cooperatives for a hearing to consider flooring class I milk prices at a high enough level to maintain milk production through the summer months.

Finally, after a 6-week delay on the request for an emergency hearing, the USDA responded by flatly denying the

request. In denying the request, the USDA stated that the drop in milk prices was merely a seasonal imbalance of supply and demand which should improve during the fall season. Department officials said "crop conditions continue favorable and dairy farmers reasonably can anticipate better milk feed ratios than have existed since 1972." I find it hard to believe that the USDA can predict what feed will cost this fall, when its own first crop forecast will not even be published until July 10, over 3 weeks after the plea for a hearing was rejected.

In any event, whether we agree or disagree with USDA's reason for expecting an improvement in the milk picture, I think we can all agree that the public and the parties directly involved in this situation have a right to state their case before that case is rejected. By refusing to even consider a hearing to discuss the flooring of the milk price, the Secretary of Agriculture is in effect barring the public from what is supposed to be a public decisionmaking process.

I can understand the Department's reluctance to have the failure of its dairy policy aired in a large, public forum. However, I must remind the Department that its batting average is poor. Many of us warned that the dairy industry, in the Northeast particularly, was not recovering from the disaster associated with Hurricane Agnes in 1972. Many of us warned that a policy of unlimited imports of dairy products would make a bad situation worse. And many of us warned that the failure to respond to pleas for an increase in the support price was courting disaster.

Dairy farmers suffer from inflation just as other consumers do. Rapidly declining prices at the farm level for milk will provide only a very temporary benefit to dairy product consumers. When prices hit bottom, or if they are allowed to hit bottom, there will be substantially less cows available to respond to the much higher prices for milk which will surely follow a period of serious shortage.

#### MILTON HIGH SCHOOL BASEBALL TEAM DAY

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

Mr. BURKE of Massachusetts. Mr. Speaker, I have asked for this time to speak in tribute of the Milton High School baseball team, the newly crowned champion of eastern Massachusetts baseball. There is more to this story, however, than the mere recital of the exciting exploits of some fine young scholar-athletes, and for this reason I particularly desire to call this to the attention of my colleagues. Nothing, of course, can detract from the honors brought to the team and the town from the hard work and determination of the Milton men. As a resident of Milton, I take great pride in the accomplishments of our champions, and as a lifelong baseball fan, I am thrilled to watch Milton develop

into a hotbed of baseball talent and activity.

There is a story behind this success saga, however, and in many ways it goes to show that the winners of the 1974 baseball season are not merely the team members and their dedicated coach, but the Milton community as a whole as well. The entire community of Milton has been swept up by this baseball fever and takes great pride in the way their sons represented the old town. The community spirit engendered by the eastern Massachusetts champions is a precious asset any town would be desirous of, and the town is not unappreciative. June 27 has been designated Milton High School Baseball Team Day by proclamation of the selectmen. The team will be honored at a banquet that evening.

The accompanying article from the June 20 Milton Record-Transcript describes the civic pride Milton residents take in their diamond heroes. It is no mystery to me that baseball is our national pastime, the town of Milton certainly shows why.

The text of the article and the proclamation follow:

#### TOWN TO HONOR BASEBALL CHAMPIONS ON JUNE 27

The Town of Milton will have the opportunity next Thursday night June 27 at Lantana's in Randolph to celebrate and toast the Eastern Mass. High School Baseball Champions of 1974, Milton High School. A large delegation of Town officials, baseball celebrities, friends and relatives will be on hand to join in on this gala affair.

Those who were fortunate enough to follow and attend this year's State Tournament can attest that the boys on the championship Milton baseball team certainly did credit not only to themselves, their coaches and their school, but also certainly gave proof that the Town of Milton must be classified as one of the best baseball centers within the State of Massachusetts.

To single out any individual boy would be an injustice to all, as each kid on this club played fantastic baseball and really showed that when teamwork by everyone is put together, along with hard work, goals that might appear to be impossible can be attained. That is exactly what this bunch of kids did. They beat the best and through their aggressiveness and determination brought home to the Town of Milton the 1974 Eastern Mass. Championship.

For this effort many parents and friends are now determined that they are going to make sure that these deeds do not go by unrecognized.

A large committee is now active in making arrangements for the "Victory Dinner" next Thursday night. Through the generosity of many of the merchants of the town along with donations from friends, it is planned to present each boy with some token of appreciation for their fine efforts in making the championship possible. Tickets for the affair may be purchased from any of the parents of the boys who played on the team, or by contacting any of the following: Milton High School Office, Sher Drug Store in East Milton Square, O'Neill Insurance, Central Ave., or by calling 696-7292.

A roast beef dinner will be served and enjoyed by all. Tickets are priced at \$7.50 each.

Now that the kids of Milton High School have brought honor to the Town, it is now incumbent upon the Town to bring honor to the team, and this can certainly be shown by each one reserving Thursday evening,

June 27, for Baseball Night at Lantana's in Randolph. Donations may be forwarded to Mrs. Estelle Poelaert, or Mrs. Ann Curley. See you there!

#### A PROCLAMATION

Whereas, the 1974 Milton High School Baseball Team displayed excellence in athletics and good sportsmanship; and

Whereas, the enthusiasm of Milton High School students gained momentum and support throughout the entire community; and

Whereas, the 1974 Milton High School Baseball Team went on to become Eastern Massachusetts Division 1 Champions; and

Whereas, the Milton High School Baseball Team has set a fine example for all other teams to follow;

We, therefore, the Board of Selectmen of the Town of Milton do hereby proclaim Thursday, the 27th day of June as Milton High School Baseball Team Day.

#### MORE POOR BUT LESS FOOD

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

Mr. ALEXANDER. Mr. Speaker, I would hope that Tom Wicker's article, "More Poor But Less Food," from the New York Times, June 23, 1974, would help influence my urban colleagues that we must unshackle the American rice farmer and let him produce more food for a hungry world. I commend the article for their consideration, in hopes that they will support H.R. 15263:

#### MORE POOR BUT LESS FOOD

(By Tom Wicker)

Imagine a highway of grain, 55 feet wide and six feet deep, girdling the earth at the equator. Now imagine adding to it every year a 625-mile link (longer than Florida's Atlantic coast) in a second lane of the same width and depth. The highway is the amount of grain needed to feed the world now; the new links will be required to feed the 76 million mouths added annually to the world's population.

That's the graphic illustration of Dr. Norman E. Borlaug, the agronomist and Nobel Laureate, who is not optimistic that the world will take necessary steps either to increase food production and availability or to hold down what he called "monstrous" population growth. And as he observed in an interview at the United Nations last week, it's not a matter of doing one or the other; food production can never be sufficient if population continues to grow at 2 percent a year.

In fact, the situation may be more bleak than Dr. Borlaug pictured it. If nothing or too little is done to increase the production and unavailability of food, and if nothing or too little is done to hold down population growth, world famine, poverty and ghastly human overcrowding seem inevitable. But if enough is done to prevent such catastrophes, it may be just as inevitable that the measures required will put an effective end to political, economic and social freedom.

What, after all, is being asked? That the rich peoples of the world voluntarily redistribute their abundance to the poor; and that the poor, primarily, restrain voluntarily the size of their families. The first demand runs against the invincible grain of human acquisitiveness. The second collides with an equally invincible human perversity, abetted by staggering ignorance.

On the first point, for instance, Kathleen Teltsch of The New York Times reported in

a survey this week that it would take "radical cuts" in the per capita grain consumption of affluent nations to attain even "bare minimum" supplies for the thirty to forty poorest countries. Are Americans likely to accept such "radical cuts" without being forced to do so either by actual scarcity or by Government order? Will they even, as Senator Hubert Humphrey has suggested, contribute to foreign food production the three million tons of fertilizer they now spread annually on their lawns and golf courses?

On the second point, Dr. Datta N. Pai, the director of family planning for Bombay, reported last week to a population convocation in New York that after years of intense effort in India, fifteen million couples had been sterilized and eight million were using some form of contraception—out of one hundred million couples in need of family planning. That's less than one-fourth—about the same proportion that Dr. Jae Mo Young said was using contraceptives in South Korea. Dr. Pai thought India had "not done too badly" at that rate, but his report shows what an immense problem remains.

Whether one professes a hard or soft approach, there seems to be no acceptable or likely way to proceed. One biologist told a population convocation that foreign aid should be withheld from poor countries that had no effective population control program. Dr. Barry Commoner, the ecologist, called that "inhumane" and proposed, instead, that the United States divert some of its abundant fertilizer as "reparations" to developing countries, at whose expense he said the United States had developed itself. That may be the more humane course, but let Mr. Commoner tell that to the American farm industry, which made \$5 billion more in profit in 1973 than in 1972.

Emma Rothschild pointed out in a recent article in the *New York Review of Books* that this country actually paid for its higher-priced oil imports in 1973 with increased agricultural exports, and extracted \$7 billion from developing countries through food sales to them. That does not suggest wholesale American charity to hungry nations, now or in the future—unless government imposes authoritarian economic and political policies for the unlikely purpose of being generous to the world's poor.

Even in this rich country, inflation has caused food costs to rise faster than increases in food stamps and other assistance programs, with the net effect, as a Senate hearing on nutrition was told last week, that the American poor are hungrier and poorer than they were in 1970. Even if inflation were halted, these Americans would still need either vastly increased assistance or a broad program of income support, neither of which is the kind of program that has recently been electing politicians to office.

#### DÉTENTE, MOSCOW SUMMIT, AND TRADE GIVEAWAY

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 60 minutes.

Mr. BLACKBURN. Mr. Speaker, euphoric over his administration's Middle East achievement, President Nixon will arrive in Moscow on Friday. It is no secret that he hopes to score a fresh "disarmament breakthrough."

In an interview telecast Monday night on CBS, Alexander Solzhenitsyn, Russia's recently exiled Nobel Prize-winning author, told newsman Walter Cronkite:

This kind of optimism is completely incomprehensible to me . . . never before has an American President been in so weak a position.

He warned that Americans should not be misled by Soviet demonstrations of enthusiasm.

There is valid cause for concern that the present trend of euphoria may mislead us into further lowering our guard against the Communist world. We must remember that a margin of military advantage through possession of a number of sophisticated technologies is critical to our security. For example:

A great many modern weapons systems depend on computers. In the technology of computer production and application in combination with systems integration we are about 15 years ahead of the Soviets. That is a conservative estimate. The Soviets lack the ability to build large numbers of highly reliable sophisticated machines. They lack the ability to provide related equipment and follow-on support. They lack "naked" technology; for example, technology *per se*, and in that embodied in a machine.

In October 1973, Control Data Corp. announced its signing of a 10-year agreement with the U.S.S.R. Council of Ministers for Science and Technology for technical "cooperation" in developing and manufacturing the most advanced computer equipment. American sources in Moscow put the agreement's ultimate worth at about \$500 million.

Admittedly, the United States must redress its foreign trade imbalances of recent years. It is my contention, however, that ventures such as this permit the relentless development of a Soviet military machine planned for our destruction. On October 23, 1973, the Soviet news agency Tass stated:

The Control Data Corporation is the first American firm to have signed with the Soviet State Committee an agreement for scientific-technical cooperation for a period of 10 years. The agreement envisages joint work in designing most up-to-date computers, computer peripheral equipment (magnetic tapes), systems of information processes, and communication and also software (language and instructions to the computer on what to do) for such systems.

The Tass announcement went on to reveal:

Talks are underway on the sale of high speed "Cyber" electronic computers.

This raised eyebrows in some of Washington's more sensitive sanctums. U.S. officials, and some Control Data officials, were surprised that Tass announced any dialog on the Cyber system; for Cyber is an extremely sensitive topic. It is a very high speed, large volume, scientific computer which processes 94 million bits of information per second, or even more. Only 8 to 10 such installations exist in the world. Typical installations belong to the Atomic Energy Commission, U.S. Air Force, NASA, and the National Security Agency.

According to a report in the Defense Space Business Daily of May 23, 1974, and according to an article, "Moscow Plan for U.S. Computers," in the May 25, 1974, edition of the Financial Times of London, the Sperry-Rand Corp. has signed an agreement with the Soviet Union's State Committee for Science and Technology to share technology with the Soviets, and the Soviet Union has asked

Sperry-Rand to submit detailed plans for construction of a large computer-manufacturing complex in Moscow.

The U.S.S.R. plant would be at least the size of the largest owned by UNIVAC, Sperry's computer subsidiary. It would have the capacity for making peripheral equipment and components, and include a foundry. The project would require substantial capital investment by Sperry.

In Moscow, Sperry recently put on display a model UNIVAC 1106 computer understood to have three times the capacity of anything previously allowed by the United States to be shown or sold in the Soviet Union. When this exhibition is over, this machine will be delivered to Poland—a transaction for which an export license has already been granted.

Without computers, modern weapons systems could not be built, integrated, tested, deployed, kept combat ready, nor operated. In fact, weapons such as missiles, aircraft, tanks, and submarines incorporate computers as part of armament. Avionics are intrinsically computer-linked. So is missile accuracy. MIRVing missile heads is impossible without computers. Helicopters used against tanks are provided with computers and computer links to obtain the real-time information needed for effective battlefield inaction.

With advancement of détente, we have witnessed a steady dismantling of our export controls.

This "trade" now constitutes a threat to American labor and industry. Worse, the security of the United States is being endangered by transfer of U.S. technology and capital equipment to Communist bloc countries.

The U.S.S.R. has a long list of precedents in the area of economic warfare. They include: expropriations, dumping, embargo, and encouraging the Arabs to impose an oil embargo upon the United States and Western Europe.

Meanwhile, a new Soviet economic strategy has begun to show itself: cheaply priced Soviet products sold in Western countries which have been made possible by utilization of Western technology within the U.S.S.R. which has contributed to Soviet productive capacity and industrial know-how. For example, Soviet tractors have been introduced into the American market—selling for 20 percent—50 percent—less than the price of comparable U.S.-made tractors.

Lada, the Soviet automobile built by a factory planned and constructed for the U.S.S.R. by Fiat of Italy, with input of American technology and capital equipment, compares, favorably, with the Fiat 124. It sells in Europe for a price well below the Fiat 124. It can easily sell in the United States for a price well below any American or Western-produced compact automobile.

Clearly, one cannot expect American industry and well-paid, organized American workers to compete with Soviet state-owned enterprises married to non-free Soviet labor.

A current example of outflow of American advanced technology and automated machinery is the Kama River truck plant, now under construction in

accordance with specifications provided by leading American engineering concerns.

Donald E. Stigell, president, Swindell-Dresser Co., has told the Subcommittee on International Trade of his firm's role as the plant's principal engineering and construction company. His testimony has included the revelation that the firm is providing the U.S.S.R. with a technological capacity yet to be realized even in the United States.

Specifically: This Kama River truck plant will have an annual production capacity for 100,000 10-ton trucks. That Soviet production of heavy military equipment will benefit from this plant is obvious from Mr. Stigell's testimony regarding the nature and capacity of the plant's foundry.

A recent intelligence report revealed the presence of a high number of 2½-ton trucks in ammunition and storage depots in Warsaw pact nations.

These trucks are maintained with a full load of ammunition—ready to move on immediate notice. It takes no stretch of the imagination to realize the advantage the Soviet military machine will enjoy by replacing 2½-ton trucks with 10-ton multiple-axis modern trucks built at the Kama River truck plant with U.S. technology and capital equipment.

Meanwhile, American technology, precision instrumentation, and computers have been used to perfect Soviet ICBM's, to speed up the development of Soviet MIRV's by 2 to 4 years and advance laser beam weapons.

Intelligence agencies and other elements of our Government reportedly view this problem so seriously that a special high level National Security Council study has been commissioned. The objective: To attempt to determine what can be done to stem the flow of technology having military application.

Preliminary conclusions of this study indicate a greater outflow of military-related technology, precision instruments, and computers to the U.S.S.R. and Warsaw pact countries than suspected. These conclusions leave no doubt that our Government's détente euphoria has created serious export loopholes.

In his June 23 New York Times column, James Reston, discussing détente's political and philosophical concept, and it is—

Risky, because the Soviet Union is not really acting in the spirit of détente, compromise and world order, but is merely using détente as a tactic or trick to achieve hegemony or domination by talking sweet and acting tough.

Adm. Elmo Zumwalt, Chief of Naval Operations, has noted that, from the energy crisis, Soviet leaders have learned that the free world can be disrupted by the price of fuel; that the more it has to pay for the gas and oil that drive its industrial machines the less it has left to finance its military machines.

In a recent interview, the admiral has warned:

At this moment, I consider that the Soviets have a possible first strike capability, whereas we do not.

Admiral Zumwalt has also warned: Russia's Communist ideology is expansionist.

In the same interview, he has reminded us that, addressing the Communist leaders of the Warsaw pact countries, and addressing the members of his own Politburo, Soviet Communist Party Secretary Leonid Brezhnev has stated:

We Communists have got to string along with the capitalists for awhile. We need their agriculture and their technology. But we are going to continue massive military programs and by the middle 80's we will be in a position to return to a much more aggressive foreign policy designed to gain the upper hand in our relationship with the West.

Secretary of Defense James Schlesinger has expressed concern that, should the U.S.S.R. marry technologies emerging from its research and development program and technology infused from the West to the throw-weight and numbers of Soviet ICBM's allowed under SALT I:

They would develop a capability that was preponderant relative to that of the United States.

Pentagon Director of Defense Research and Engineering, Dr. Malcolm R. Currie, has put it this way:

The Soviets have become critically aware that their great deficiency is not in scientific knowledge but rather in production technology. They apparently feel that they can neither close pivotal gaps in their military capability nor gaps in their general economic growth, both domestically and worldwide, until they acquire a manufacturing technology comparable to ours. This applies particularly to high technology areas having both military and civilian application, such as integrated circuits, software, aircraft, engines, avionics and specialized instruments to name a few.

Prof. Antony C. Sutton, who spent 11 years at the Hoover Institution, Stanford University, studying and researching the origins of Soviet technology, has told the Subcommittee on International Trade:

The Soviet military industrial complex is . . . dependent on technology transferred from the West, mainly from the United States. No distinction can be made between civilian and military technology and all transferred technology has some military impact.

The term "peaceful trade" in regard to Soviet trade is grossly misleading and should be abandoned. The crux of the problem at issue is technical transfers through the medium of the Soviet trade and the use of such technical transfers for military purposes.

Avraham Shifrin, former Soviet Red Army major and former Chief Legal Adviser, Contract Division, Soviet Ministry of War Equipment, has recently told the Subcommittee on International Trade how the U.S.S.R. plans and uses trade with the West to produce military weapons and ease the inevitable bottlenecks, breakdowns, and shortages which stem from the Soviet centrally planned economy.

The first SALT agreement, characterized by American strategic arms concessions enabling the Soviet Union to tilt the balance of strategic arms in its favor, was veiled in secrecy from the very beginning. Even now, the Joint Chiefs of Staff fear that we are confronted with an arrangement that we really had no time to analyze. What is troubling about

the forthcoming Moscow summit meeting is its lack of time for adequate preparation.

This, inevitably, leads to growing fears that the President may grant further concessions on the order granted in SALT I.

Last Wednesday, I discussed my concern that the President's forthcoming Moscow visit would result in heightening the Soviet nuclear arms advantage.

Today, I am expressing my concern that, in search of an "agreement in principle" to limit the number of MIRV's that each side's missile force can hurl, the President may offer new credits and additional reduction of export controls.

History has made clear that there can be change in Moscow's tactics, manners, and theatrics, but that Moscow's goal of world domination never changes.

Mr. Speaker, it is time that we stopped playing this deadly game of Russian roulette; this game of providing them with what they need in return for nothing. Let us get down to the serious business of demanding a quid pro quo—a something for something.

It would be well, too, to recall these words of Patrick Henry:

I have but one lamp by which my feet are guided, and that is the lamp of experience. I know no way of judging of the future but by the past.

The history of the Communist government of the U.S.S.R. serves to illuminate a tragic future for those who would accept her blandishments of good will and ignore her steady determination to conquer.

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

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

Mr. CRANE. Mr. Speaker, I would like to commend the gentleman from Georgia, first of all, for his remarks in his special order on this very important subject, and also for providing a great deal of leadership in this body with respect to all of our trade negotiations with the Soviet Union, and the unfortunate consequences of strengthening them economically and militarily. I wholeheartedly endorse the views he has expressed.

Mr. Speaker, the trip which President Nixon is about to take to Moscow is one upon which all of us in this body, I am sure, wish him well.

The American people desire nothing more than the "generation of peace" which has been discussed so much in recent years. Men of all races and nations would profit from a world environment in which their best energies and efforts could be devoted to such pursuits as producing a better and more abundant life for all than merely continuing to prepare for future wars and conflicts.

The goal of a world at peace is one which all share. The only area in which differences of opinion arise is with regard to which path will best achieve that kind of peace. President Nixon has always expressed the view that peace could best be achieved through strength, by showing any potential adversary that we were prepared to defend ourselves and

our allies and that we had the willingness to do so.

It is of serious concern, therefore, to observe a situation in which the President of the United States is about to enter into serious negotiations with the Soviet leadership at a time when our own country appears to be dramatically slipping in military strength and preparedness. It is, in addition, an inopportune time for such serious negotiations since our domestic political situation is in a state of continuing turmoil, a circumstance well understood by the men in Moscow who traditionally have used such moments to their own advantage.

While the meetings can no longer be postponed, we can at the very least understand the disadvantageous circumstances which surround them. First, it is important to consider our military position.

When the first round of SALT talks began in late 1969, the United States had 1,054 land-based ICBMs and 41 Polaris-type submarines. The Soviets then had approximately 550 land-based ICBMs and no Polaris-type submarines.

When the interim agreement expires on July 1, 1977, we will still have our 1,054 ICBMs and our 41 Polaris submarines. But the Soviet Union, depending upon how it exercises its options, will have 1,400 to 1,618 ICBMs and 62 Polaris-type submarines.

The SALT I agreement confers upon the Soviet Union a 3-to-2 advantage in number of land and sea-based launchers and a 4-to-1 advantage in throw weight.

Any review of the available evidence makes it clear that the United States is rapidly falling behind the Soviet Union and may soon find itself in the position of being unable to provide a realistic self-defense. Gen. Lewis Walt, former assistant commandant of the Marine Corps, recently declared that—

The U.S.S.R. is decisively surpassing the U.S. in virtually all aspects of military strength. Four years ago Russia had 550 ICBMs—today they have over 1,600 . . . Our Nation or our armed forces are not prepared . . . to defend our freedom.

The Congress expressed its concern over the terms of the SALT I accords when, in the fall of 1972, it approved the Jackson amendment to the resolution authorizing the interim agreement. The amendment demands equality in SALT II, an equality based on numbers and payload capacity of intercontinental strategic forces. Passing the Senate 56 to 35, the House 307 to 4, and signed into law by the President, the amendment means that both Congress and the President agree that the SALT I agreement is not acceptable as a permanent arrangement.

Unfortunately, there is every indication that during the SALT I negotiations the United States lacked a coherent strategic doctrine. American negotiators, it is now generally agreed, were taken advantage of by their Soviet counterparts. Discussing this unfortunate situation, Dr. William Van Cleave, a member of the faculty of the University of Southern California and an adviser to the U.S. SALT delegation, makes the following point.

It is clear that there are very significant differences in the approaches of the U.S. and the U.S.S.R. to negotiation and to arms control. Compared to the U.S.S.R., the U.S. has a politically naive approach to both . . . Our driving assumption has been that arms control negotiations are a uniquely cooperative process, wherein compromise is a mutual objective . . . The Soviet Union, however, seems clearly to have regarded SALT as another competitive endeavor, where the object is unilateral advantage and where one can gain at the expense of the other.

Dr. Van Cleave points out that—

The Soviet approach clearly recognized that arms control is a form of competition, an arena of political contest, just as the Soviets—in contrast to the U.S.—have seen the strategic force balance as an expression of political power. While we have dealt heavily—almost exclusively—in the analytical problems and technical details of specific arms limitation, the Soviets de-emphasized those aspects and emphasized a broader, more general approach that was insistent, repetitive over a long period of time, and heavy with political overtones.

The second round of the SALT talks is ominous, and few Americans recognize the fact that their country is on the threshold of permanent military inferiority. Dr. Van Cleave notes that at the present time:

We have less leverage than we did before, and there should be less incentive for the Soviets to agree to something than they had before.

It is essential that the President and Secretary of State Kissinger enter into any negotiations with their Soviet counterparts with a full realization of our exposed negotiating position. Consider a few more facts which lead to this conclusion.

In a recent statement Adm. Elmo R. Zumwalt, Jr., Chief of Naval Operations, declared that he is convinced that the United States has lost to the Soviet Union its ability to control the world's sealanes.

The admiral offered that assessment in an interview as he prepared to step down as naval chief. He stated that—

The Soviet Union's capability to deny us the sea lines, which is their job, is greater than our capability to keep the sea lines open, which is our job.

More and more our European allies are coming to realize that, as a result of the defense policies of the past decade, the United States not only is in no position to live up to its own commitments to NATO but may not, in fact, be in a position to even defend itself.

Writing in the West German newspaper, *Kolner Stadt-Anzeiger*, Kurt Becker notes that—

Since 1972 the Americans have been looking on with increasing concern as the Russians improved first the number of their arms and then their quality. And there is no end in sight to this process. There are two irritating features about this. Firstly, the Russians are rigorously exploiting the opportunities allowed to them in the first agreement on the restriction of strategic nuclear weapons signed two years ago. Secondly, the two powers' declared intention of ending or at least limiting the arms race has led to a treaty that is full of loopholes.

Mr. Becker points out that—

The American aim of achieving symmetry or "essential equality" in nuclear arms re-

mains unchanged. But it is more difficult to achieve than ever before. If the situation does not change, by the end of the seventies the Americans could run the risk of being robbed of their nuclear potential by a surprise attack by the Russians with their superior numerical strength and identical technology. Another likelihood is that, as nobody believes in the possibility of nuclear war, the Russians could exploit their destructive potential for purposes of political or diplomatic pressure.

In Western Europe, Soviet superiority has become overwhelming. In an important volume, "Arms and Strategy: The World Power Structure Today," Prof. Laurence Martin of King's College, London, and a research associate of the Washington Centre of Foreign Policy Research at Johns Hopkins University, notes that—

The overall picture is of superiority for the Warsaw Pact and the Soviet Union. . . . At present strengths, on the day when mobilization began, NATO would have eight armored and sixteen infantry divisions, as compared to twenty-eight armored and thirty-seven infantry Warsaw Pact divisions. Nineteen of the armored and twenty-two of the infantry divisions would be Russian. . . . To NATO's 6,000 main battle tanks, the Pact can muster 16,000, of which 10,000 are Russian. In tactical aircraft, NATO has rather less than 200 to the Pact's 3900.

Not only is NATO's position bad, but it is becoming worse at a rapid pace. Dr. Martin writes that—

Two factors suggest that the present balance will change, and quite probably to NATO's disadvantage. One is the pressure within the members of NATO to reduce military demands on money and manpower. The other is the call to negotiate agreed reductions with the Warsaw Pact as part of the policy of 'detente' . . . The pressure to reduce forces in general is rendered most serious by American desires to withdraw part of their expeditionary force.

The United States, it now seems clear, has seriously underestimated Soviet strength. Recently, the Pentagon declassified a great deal of information about U.S. strategic forces and intelligence estimates and Albert Wohlstetter, a long-time defense analyst now at the University of Chicago, has just published an article in *Foreign Affairs* magazine dealing with these data.

The data show, Professor Wohlstetter reports, that American spending on strategic forces has declined almost exponentially from the 1956-61 level. It shows, in addition, that the destructive power of the American arsenal has declined over the same period, with the retirement of older and larger weapons.

Indicative of much that seems to be wrong with current U.S. policy, Dr. Wohlstetter shows that Government officials have consistently underestimated the pace of Soviet strategic weapons deployment. The newly declassified material includes 51 long-range predictions of 4 different classes of Soviet strategic weapons. The predictions, made between 1962 and 1971, can be compared with actual Soviet deployments when the projected dates were actually reached and take the form of a range, with high and low estimates.

In 42 of the 51 cases, Soviet deployments exceeded the high estimate pre-

dicted by our own defense planners. The midrange of the U.S. estimates were exceeded in all but two of the cases.

Why was this the case? Professor Wohlstetter stated that one reason for this consistent pattern of underestimation was overreaction to the missile gap charges in the 1960 Presidential campaign. A second reason, he argues, is trying to judge Soviet intentions on the basis of abstract theorizing about defense. Some American defense analysts concluded that the Soviets did not need a large force for deterrence and, as a result, did not expect them to build one. This analysis did not consider the possibility that the Soviet Union was interested not in deterrence but in superiority. Superiority is what they sought, and superiority, it seems, is what they have achieved.

We have seriously underestimated Soviet military strength and Soviet military intentions. The result is that the Soviet Union has moved ahead of us in many vital areas of weapons development. It is essential that no agreement be made in Moscow which codifies our own inferiority or which permits continued Soviet advances.

If President Nixon is to be successful in his Moscow trip it is also essential that he have a realistic understanding of what the Soviet leadership means by "détente." The available evidence indicates that for the Communists "détente" is something far different than what it seems to mean to Western leaders. To us it seems to mean an era of "negotiation," rather than one of confrontation, and a real willingness to live together in peace. To them, on the other hand, it appears to be a continuing tactic in their seemingly unchanged goal of world conquest.

We seem, in many respects, to have forgotten the nature of the men with whom we are dealing.

Discussing the men who now rule the Kremlin, Robert Conquest, author of "The Great Terror," notes that—

Almost all the present leaders held posts under Stalin. Many of the current Politburo and secretariat were members of Stalin's own central committee. The top figures—Brezhnev, Kosygin, Suslov—rose from the ranks to high position during the worst of the terror in the late thirties.

Conquest declares:

Perhaps the most important lesson is how difficult it is for us in the Western political culture really to make the effort of imagination, as well as that of intellect, to conceive what the other lot are really like, what their background really is. . . . I remember once asking that profound student of Russia, the late Tibor Szamuely, himself a former inmate of the camps, a question about the military purges. I could see, I said, why Stalin had shot Marshal Tukhachevsky, but I did not see why he shot Marshal Yegorov. Tibor's answer was simple: "Why not?"

While there is much discussion about an alleged lessening of tensions between East and West, the facts do not show this to be the case. An authoritative study released in May by the International Institute for Strategic Studies in London reports that tensions between the Soviet Union and the United States were increasing at a time when the Atlantic Alliance seemed to be weakening.

The Institute states that strains between the superpowers had increased despite all the emphasis in the United States on détente during the past year and President Nixon's desire for diplomatic successes to offset "the damage of Watergate." The Institute said that the "euphoria and expectations" surrounding American-Soviet relations at the outset of 1973 had disappeared by the year's end.

The report takes an essentially gloomy view, stating that political differences between the United States and Europe had increased, that NATO had been weakened, that the balance of power was shifting in favor of the Soviet Union. The survey said that the Middle East war had heightened strains between Washington and Moscow and it noted that the Soviet Union had failed to consult the United States when it became "aware of an imminent Arab attack." It later airlifted heavy arms shipments to Egypt and Syria, appealed to other Arab States to join the conflict, exhorted the Arabs to use oil as a weapon and finally gave a veiled threat of military intervention when the first cease-fire broke down.

Although the war ended as the result of the efforts of the great powers, the survey continued, the "limits of détente" were nevertheless exposed. The survey noted that—

American diplomacy seemed to assume that détente meant the damping down of all major conflicts—since by definition these are the conflicts that may lead to superpower confrontation.

Thus, at the time of the Middle East war we were told that it was, because of détente that the conflict did not escalate further. Yet, if détente was a reality, there should have been no war at all.

We have, it seems, placed a great deal of trust in the good intentions of the Soviet leadership. This trust, it is now becoming clear, has been a serious error in judgment.

Discussing this point in his recent appearance before the Joint Congressional Atomic Energy Committee, Dr. Richard Pipes, a Harvard history professor, senior consultant for the Stanford Research Institute, and one of our leading authorities on modern Russian history, made clear what we are dealing with when we attempt détente and cooperation with Communist leaders.

He stated that—

The present leadership of the USSR, political as well as military, consists of Stalin's men. These people have gone through the most brutalizing political experience ever known and they are the product of a system of natural selection totally unfamiliar to politicians in any other part of the world. They know that politics is the art of survival, and that survival can be bought only if one is ruthlessly to dispose of the liberties, wealth and lives of others.

Thus, Professor Pipes noted, when American leaders assume that the Russian Communist leaders have feelings and attitudes and hopes about détente similar to their own, it is something like attributing to wild beasts the behavior of tame, domesticated animals.

Dr. Pipes told the committee that it is "a perfectly reasonable premise" that the United States and Soviet Union "must

at all costs avoid situations that may lead to nuclear war." Yet, to those who believe that the way to avoid such situations is to reduce our defenses in the hope that the Soviet Union will do the same, he declared that there is every reason to expect that the Soviet arms buildup "on all fronts and in all the branches of the service will continue unabated—it is most improbable that a single Soviet leader thinks relations with the United States could or should influence the rate or manner in which the U.S.S.R. meets what it considers its defense needs. The idea of parity seems entirely alien to them—the Soviet Union is striving not for parity, but for superiority."

And superiority is what they are achieving, with U.S. aid and assistance.

The Soviet Union is in desperate need of U.S. trade, technological knowledge, and assistance. We are eager to provide it with all of these things. In doing so, we are acting against our own self-interest, a fact which even a brief look at the situation makes almost immediately clear.

In a conversation with western newsmen in August 1973, Andrei Sakharov, the man responsible for the creation of the Soviet Union's first hydrogen bomb in 1960 and one of the most persistent voices of dissent in the Soviet Union today, discussed the prospects for expanded East-West trade.

He declared that large amounts of western technological aid to the Soviet Union would assist the Communist government in solving economic problems it could not solve on its own and would enable it to concentrate on accumulating strength. He said:

As a result, the world would become helpless before this uncontrollable bureaucratic machine.

Unqualified western willingness to improve relations with the Soviet Union would also "mean cultivating a country where anything that happens may be shielded from outside eyes—a masked country that hides its real face. No one should ever be expected to live next to such a neighbor, especially one who is armed to the teeth."

The Soviet Union's desire for expanded economic relations with the Western World is, as Sakharov explained, based on its inability under a socialist economic system, to meet the needs of its people. In the face of chronic economic problems, compounded by a disastrous harvest and by the inefficiency of collectivized agriculture, the leadership has changed its policy from autarky, or economic self-reliance.

Discussing this shift in policy in the *Wall Street Journal* of June 20, 1973, Robert Keatley notes that—

Soviet problems are complex. Mr. Brezhnev acknowledges there is more to life than steel and cement, and thus is placing more emphasis upon consumer goods, especially on meat and dairy products. But this stress on quantity, better quality and extra variety compounds Moscow's already difficult planning process. The Soviet economy is highly centralized, and its growing complexity, as new priorities are introduced, has caused many fresh problems for officials who try to balance flows of goods and raw materials among farms and factories.

Labor productivity is a continuing problem. Although the U.S.S.R. has a labor force 50 percent larger than that of the United States, it produces approximately half as much. Thus, observes James Noren, a senior economist at the Central Intelligence Agency:

The Soviet leaders believe that the shortcut to technological progress and accelerated growth of productivity lies in importing Western machinery and technology while promoting other technical exchanges.

Because the Soviet economy cannot—or will not—finance the purchases it needs, Moscow has called for subsidization by the United States, including American credits and tariff concessions.

For reasons that remain difficult to understand, our own Government has been eager to assist the Soviet Union in overcoming its economic difficulties, at great expense to our own taxpayers and at the larger price of strengthening an adversary and potential enemy.

One example of such largesse is the wheat deal. Elmer B. Staats, U.S. Comptroller General, published official figures showing that the grain sale increased the domestic price of wheat in the United States from \$1.63 per bushel in July of 1972 to \$2.49 per bushel in September of the same year. That was an 86 cents a bushel increase in just 60 days.

The wheat deal involved a direct subsidy to the Soviet Union of over \$300 million and an additional subsidy for transportation amounting to more than \$400 million. If this is what the Soviet Union means by "détente"—and there is every indication that it is—we must ask once again how our own Government defines that elusive term.

Consider, in addition, the \$49 million credit granted to the Soviet Union for exploration of the Eastern Siberian gas fields. This loan is to be at the interest rate of 6 percent, which is, in effect, subsidization by American taxpayers. Americans find it difficult to borrow money at interest rates of 9 and 10 percent. Why is the Soviet Union in such a favored position? Equally important, what has it done in return for such open-handedness from Washington?

Why the U.S. Government wishes to finance Soviet gas exploration is difficult to understand. Every nation's defense capacity is related almost directly to its energy resources. We spend billions of dollars each year to maintain our own Defense Establishment—primarily to defend ourselves and our allies from possible attack from the Soviet Union. Now, we are subsidizing efforts of the Soviet Union to increase its own defense capacity. This policy defies reasonable explanation.

It cannot be emphasized too strongly that we must avoid any similar giveaway agreements at the forthcoming Moscow meetings. Any such agreement would be intolerable to the American people and to the Congress.

With the advent of the wheat deal and further business arrangements with the West, Moscow has been eager to discuss a period of "détente" and an "end" to the cold war. Yet, its policy of re-Stalinization and repression has been

intensified, with the expectation that observers in the West will overlook such a contradiction. Unfortunately, many of our leaders have told us to do just that, turn our backs upon those who suffer in the Soviet Union for their religious beliefs and their political principles.

Writing in the *Christian Science Monitor*, Paul Wohl notes that—

Cultural repression has reached a new high in the U.S.S.R.

Theodore Shabad of the *New York Times* writes that—

The developments suggest that an effort is being made to eliminate the last vestiges of domestic opposition and clear the decks for dealing with the West on the grand plan for closer economic collaboration.

I and, I am confident, the majority of my colleagues will not turn our backs upon the men and women within the Soviet Union who yearn for freedom. If America refuses to recognize oppression and combat it—as so many did during the Nazi period—we will have lost our very meaning as a nation. The American people are tired of the shabbiness of our domestic politics. They do not want a shabbiness of even larger proportions to dominate our foreign policy. What will we have gained if, as a nation, we gain some minor business advantages and lose our very soul?

In his recently published book, "The Gulag Archipelago," Alexander Solzhenitsyn contends that up to 12 million people at any one time have occupied forced labor camps in the Soviet Union, enduring incredible cruelty and hardships and dying in large numbers. It was not the aberration of Stalin which produced this system of terror, he believes, but the very nature of communism itself. It is his belief that those in the West who enjoy liberty do not recognize that the Soviet system is the chief menace facing it at the present time.

Discussing the "détente" policy of Western leaders, Vladimir Maximov, one of the most promising and widely read writers of the postwar generation, declared that—

Only the Almighty can know what price in blood we are going to pay for the diabolical games of the blockheads of modern diplomacy.

Our trade and aid simply strengthens the hand of the oppressors of the Soviet people. Our refusal to link trade with more humane treatment for the Russian people is a shocking reversal of our traditional role in the world. Such mistreatment is by no means an "internal" Soviet matter. The Soviet Union has signed the Atlantic Charter, the United Nations Charter, and the Declaration of Human Rights. All of these provide for religious freedom and for the freedom of movement. All of these are international treaties. All are being violated with impunity by the Soviet leaders. How we can trust any future treaty signed by these leaders when we refuse to see to it that they observe their former commitments, is impossible to understand.

Unfortunately, when the term "peaceful coexistence" is used by the Communists

leadership it represents a concept far different from the one conjured in Western minds.

The kind of "peaceful coexistence" which is the capstone of Soviet foreign policy presupposes peace between the superstructures only while the systematic conflict at the base level continues. The Vietnam war, which is a "war of national liberation," is considered by the Communists to be an entirely legitimate element of peaceful coexistence. It is an attempt by the "peace loving"—within the socialist system there is no class exploitation and thus a condition of "peace" prevails—forces of Vietnam to replace the capitalist, "reactionary," superstructure of the Thieu government with a socialist-controlled superstructure.

While Soviet rhetoric has changed in recent years, the unfortunate fact remains that the Communist goal of world domination remains much the same. It seems to the Communist leadership that such domination can more easily be achieved through "détente" than through violent upheaval and, in this sense, the softer rhetoric may be more dangerous than the menacing rhetoric of the past.

The current Soviet leadership are men of a different style and manner than Stalin or Khrushchev, but their ultimate objectives are no different and the power at their disposal is vastly superior to anything possessed by their predecessors. Nothing has changed their messianic belief in the future triumph of world communism.

Americans, when they consider any agreement to be negotiated in Moscow, have an obligation to consider carefully the Soviet Union's record with regard to observing the previous agreements it has entered into.

In seven previous summit meetings between a U.S. President and a Soviet leader—excluding last year's Washington meeting—25 agreements have been reached. The Soviets have violated 24 of those 25 agreements according to a staff study for the U.S. Senate Judiciary Committee.

Consider some examples:

At Potsdam, where President Harry Truman represented the United States in summit meeting after Germany's surrender, the Soviet Union made 14 major agreements. All were broken.

In 1955 at Geneva in a Big Four meeting, including France, Russia agreed that Germany's reunification problem should be settled by free elections. Moscow later refused to permit such elections.

In World War II, the Soviets promised Western allies they were seeking no territorial aggrandizement. But Russia, by 1948, controlled 11 countries—plus East Germany—and 750 million people.

Some have argued that times have changed, that the Soviet Union in 1974 is more trustworthy than it has been in the past, that we are now entitled, if not obligated, to place faith in its word.

Yet, recent examples of Soviet violations are as numerous as those dating to the period of World War II.

In 1969, for example, the Soviet Union promised to end the nuclear arms race

and work toward disarmament. Instead, it accelerated its missile construction and overtook our own country. Now it is challenging us in almost every category of nuclear weapon.

Even more recently, in 1970, the Soviet Union approved of a U.S. cease-fire plan in the Middle East, then helped Egypt violate it by moving SA-2 and SA-3 anti-aircraft missiles up to the Suez Canal. At this very moment, the Soviet Union is encouraging the North Vietnamese and the Vietcong to violate their cease-fire agreement and to continue their policy of violence, terrorism, and aggression.

Can the good faith of a country with such a record be taken seriously? It will take more than words, and the burden of proof is clearly theirs. This is clearly no time for further concessions, trade subsidization, or arms agreements which place us at a disadvantage. Hopefully, no such agreements will be made. If they are, those who make them can be certain that the Congress will view them with extreme skepticism, as will the American people.

A lasting peace can only be built upon mutual good faith. Such good faith must be the result of mutual concessions, not one-sided ones. Such good faith, similarly, must reflect itself in the Soviet Union's willingness to abide by its international commitments and provide essential human freedoms for its citizens. No state which is tyrannical at home can be peace loving in the world.

I hope that the President, the Secretary of State, and their party have a successful meeting in Moscow. Any result of that meeting which embodies the kinds of concessions which have been entered into in the past and discussed for the future cannot, however, be considered successful. Our future honor, integrity, and safety rest upon the decisions which are made with regard to these important matters. Such decisions must be fully consistent with the national interest and the national morality, and I pray that they will.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman making his observations.

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

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

Mr. ICHORD. Mr. Speaker, I, too, wish to commend the gentleman in the well for scheduling this special order. As the gentleman knows, I am greatly concerned about the large number of loans which have been granted to the Soviet Union at subsidized interest rates.

In fact, I did circulate a petition in this House which was designed to stop the loans being made to Russia. It strikes me as lacking commonsense for this Nation to lend money, which it does not have, at subsidized interest rates when the Soviet Union is undertaking to build up the largest military machine in the peacetime history of the world.

I must question some of these agreements that have been entered into. I think they have more illusion than they

do substance, and they have very little promise.

I must agree with the gentleman in the well. I am very much concerned as to what agreement will be signed by the President and Mr. Kissinger at this particular time. I had even thought, I would say to the gentleman, of introducing a measure that would require any such agreement entered into by the President to be approved or affirmed by both bodies of Congress. If it is not too late, perhaps we should consider introducing such legislation for future agreements that may be entered into, because I just cannot see these agreements being made with the Soviet Union when it continues to persecute its minorities and when it continues to build up its large military machine.

If this is a true era of détente, I would like to see some quid for the quo. Why do we not have some real reduction in balance of powers before we start giving away the taxpayers' dollars to the Soviet Union?

Mr. BLACKBURN. Mr. Speaker, I thank the gentleman for making the observations he did.

I would like to make this observation as well. It appears to me that the Export Administration Act, which is the device that is intended to control the flow of strategic items, including technology and capital equipment, into the Soviet orbit, is not functioning. It is not totally defunct, but it is certainly inadequate to deal with the existing situation. At present we see an increase in outflow of American technology, precision instruments, and sophisticated computers to the Soviet bloc countries. The computers are being installed and maintained by our technicians. We see the Kama River truck plant now under construction with the help of American technology and capital equipment, which will be able to manufacture thousands of trucks annually. This is a plant which will ultimately manufacture 100,000 10-ton trucks a year. It will be the biggest truck factory in the world. Those trucks can haul troops to the front as easily as they can haul in corn crops from the field.

I think at the present time that the administration of the strategic exports, in conjunction with the bargain loans of the Ex-Im Bank, to which the gentleman from Missouri made reference, is allowing two things: One, it permits the Soviets to continue development of their military power. By assisting them in building up their civilian economy we allow the U.S.S.R. to continue the massive diversion of resources into the military sector.

The other aspect of our trade with the Soviets, which I think needs more attention by the Congress and the administration, is that the combination of American technology and capital goods with nonfree Soviet labor can have a disastrous effect on our economy. There is no such thing as free labor in the Soviet Union. A man is either a slave laborer, who has been imprisoned for political reasons, or he is a nonfree laborer in the sense that he works where he is told,

under conditions he is told, and at wages he is told. So when one combines the nonfree labor with advanced American technology and capital goods, the strong possibility exists for disruption of American markets through unfair competition. There is a long tradition of dumping by the Soviet Union, which employed this strategy whenever it suited its political objectives. I think that through present trade we are creating a dangerous economic as well as military weapon in the hands of the Soviet Union.

Mr. ICHORD. Mr. Speaker, will the gentleman yield further?

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

Mr. ICHORD. Mr. Speaker, the gentleman knows that the loans which were made by the Export-Import Bank in the past few months now approximate almost a half billion dollars. I would point out that the Senator from New Jersey (Mr. CASE) questioned as to whether or not these loans were being made pursuant to a secret, illegal agreement that was made some time after we got out of South Vietnam. I think we could perhaps even expect further agreements along this line.

In view of the fact that the Export-Import Bank, despite the overwhelming opposition of the majority of the Members of this House went ahead and acquiesced in the making of those loans, I am beginning to wonder whether the Senator from New Jersey may not be correct.

Mr. Speaker, I must add my voice of concern to those of my colleagues in this House who are skeptical about what type of agreements and concessions we might face as a result of the President's visit to the Soviet Union. It appears evident that Secretary Kissinger has set the stage and prepared the audience for some significant developments. The stories have been confirmed by "reliable sources" that the Soviets are prepared to announce that some 40,000 to 45,000 Jews will be allowed to emigrate each year. Mr. Kissinger has announced himself that there is a very good possibility that major progress will be made in the SALT agreements.

There is no doubt in my mind that every Member of Congress as well as every good American desires a peaceful world. We all want better understanding between nations and we are all ready to walk the extra mile to accomplish these goals. We are all horrified at the prospects of any type of hostilities in which this Nation might be involved and we are ready to cooperate with and help any nation that will adopt a "live and let live" attitude toward their own people and other nations.

Quite frankly, Mr. Speaker, I am fearful that we might once again wind up with the short end of the stick and if this stick gets much shorter we might have no handle left at all. Rhetoric and promises are one thing, deeds and concrete results are another. My Missouri background compels me to ask several basic questions: First, what assurance will we have that the Soviets will be acting in good faith in any agreements

reached between the two parties? Second, what evidence will we have that any agreements will be in our own interest? Third, how much will such agreements cost in terms of the taxpayers' money and in relationship to the security of this Nation?

How many more millions or billions of dollars are we prepared to pay for some promised Soviet cooperation which has always broken down in times of crisis such as the recent Middle East conflict? If the Soviets express a willingness to allow a few more Jews to emigrate this year than last year what will happen to the numbers of other minority groups seeking to emigrate? The solution we must strive for is not a slight increase in numbers but a policy that will allow human beings to be free to live in the country of their own choosing without the fear of persecution if they apply and are not allowed to emigrate.

What new concessions are we prepared to make in future SALT agreements? Most experts expressed fear that the SALT I agreements may have frozen us into second place in terms of strategic military strength. In addition there appears to be reasonable grounds for concern that secret agreements were made in connection with SALT I that put us at an even greater disadvantage than we were told.

Mr. Speaker, whether we like it or not and regardless of the eventual outcome of any impeachment resolution, the President of the United States is in the weakest position any President has been in during my lifetime. To deal with skilled and dedicated Communist negotiators from a position of weakness is not only unwise it is extremely dangerous and could well jeopardize not only the freedoms we enjoy in this country but the very existence of freedom in the world.

Let us look at some of the potential dangers involved in any agreements made by our President at this time by men who are in a position to know the craftiness and the goals of the Soviets. On Monday night, the eve of President Nixon's departure for Europe and the forthcoming "summit" conference with the leaders of the Soviet Union, CBS television presented viewers with a Walter Cronkite interview with Russian novelist and historian, Alexander Solzhenitsyn. I hope the President and his Secretary of State saw and heard that interview.

Solzhenitsyn, who has single-handedly provided the world with detailed accounts of the horrible persecutions, tortures, and executions by the Communist regime in the Soviet Union since the Bolshevik Revolution of 1917, expressed himself quite forcefully with respect to the summitry in which the United States and the Soviet Union are engaged. He put it this way:

This kind of optimism is completely incomprehensible to me. Never before has an American President been in so weak a position.

As to the possible image-building glamor of a warm reception for the President in Moscow, Solzhenitsyn said such displays were meaningless since Soviet

demonstrations of enthusiasm are decided in advance regarding "how many flags will be put out, how many people will be there, and who should stand where." According to Solzhenitsyn there is more repression right now in the Soviet Union than at any time in history.

As the President departed for Europe, still another prominent Russian intellectual spoke out with an appeal that ought to be heard by everyone who believes in the human being's right to freedom. Physicist Andrei Sakharov urged that the leaders of the United States and the Soviet Union "pay attention during your meeting to the problems of humanity and the basic rights of man." He advised the leaders of the world's two greatest powers that their efforts would be "condemned to failure" if they ignore "the tasks of humaneness." He asked that the U.S. President work for the immediate release of political prisoners in the U.S.S.R., "promote the exchange of information between the citizens of our countries, the open publication of that information, and freedom of religion and thought in the spirit of the U.N. Declaration of Human Rights."

Sakharov combined his appeal with the release of 83 names of Soviet dissidents who are presently being held in mental hospitals and prisons or concentration camps and whose cases have not previously been brought to public attention. He said each of the cases involved "a difficult and heroic fate." He declared:

These people did not concern themselves with political activities, did not undermine the foundations of the state. With complete justification, one can call them prisoners of conscience, victims of injustice and tragic circumstances.

Mr. Speaker, it was very agonizing for this Member of the House to see that in the week prior to the President's departure, the Soviet KGB secret police rounded up a number of Jews seeking to emigrate and incarcerated them simply because of Kremlin fears they might demonstrate publicly during the "summit" meeting.

Today, columnist Joseph Alsop reminds us that summitry with the Soviet leaders is not especially palatable to free men when we recognize that conservative estimates place the number of people who died under the "harsh hand of the Soviet state, mostly in prison camps" before, during and since Stalin's reign at no less than 20 million.

And, says Alsop:

From the President's friend General Secretary Leonid Brezhnev on downward, every single existing leader of the Soviet government actively, enthusiastically, collaborated in Stalin's terror and its fearful post-war aftermath. If any one of them had not done so, he would not be at the top today. And all these men have joined to perpetuate the grim police machinery that Stalin used; and they are using it themselves today, albeit on a somewhat lesser scale.

Is not this enough to lead us all to take a skeptical view of the President's trip to Moscow? Can we as the elected representatives of the people stand idly by and fail to ask the questions that are so vitally related to the future security of the free world? It is my opinion that

the President of the United States should submit any agreements made with the Russians for the consultation and concurrence or rejection of both the U.S. Senate and the U.S. House of Representatives. We cannot afford to make any agreements with the Soviet Union at this crucial time in history that are not in either the long term or short-term interests of the United States. We have already walked much further than the extra mile and it is time for us to demand good faith and good deeds by the other side.

Mr. BLACKBURN. Mr. Speaker, I think the gentleman has raised many valid points.

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

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

Mr. WOLFF. Mr. Speaker, I wish to commend the gentleman in the well, the gentleman from Georgia (Mr. BLACKBURN) for taking this time, especially in view of the fact that our President will be in the Soviet Union and will be negotiating with the Soviets.

Although the proximity to Yalta is not that great, I have great concern that we might see a repeat of some of the Yalta Agreements that were made. I think we are really in effect playing Russian roulette today in the making of some of these agreements.

I would like to concur in the statements made by the Senator from New Jersey about the fact that we in the Congress should have the opportunity of determining whether or not these agreements shall be fulfilled. After all, we have to provide the funding for these agreements, and certainly we should have the opportunity of determining whether they should go forward.

Mr. Speaker, I would also like to comment on the fact that the gentleman from Missouri (Mr. ICHORD) did mention the Ex-Im Bank. This is sort of a back-door method of assisting the Soviet Union. I think that door should be closed, and it should have been closed a long time ago.

Unfortunately, we now seem to be talking about the question of most-favored-nation status for the Soviet Union. I do not know when the Soviet Union has included us as its most favored nation. I think until such time as they make us their most favored nation we should not make them our most favored nation.

I again congratulate the gentleman from Georgia for the effort he has made here today, and I would hope that whatever the agreements are that are entered into, the President will find it expedient or he will find it in the best interests of this Nation to see to it that we do have a say in these agreements.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman's remarks.

In particular, I wish to comment on the gentleman's observations about the proposal to grant most-favored-nation treatment to the Soviet Union. I recall in the testimony before the Senate Finance Committee the Secretary of State stated that it was his intention that we grant most-favored-nation treatment to

the Soviet Union under the same terms and conditions that we accord to every other country.

Mr. Speaker, I am convinced that the Secretary was something less than completely candid when he made that observation before the Senate. For one thing, it is absolutely impossible, under the economic system of the Soviet Union, to speak in terms of most-favored-nation treatment in the same sense that we talk about it when we deal with the free world.

Most-favored-nation treatment is the status given to any country which is prepared to guarantee the same treatment to the products of our economy. The reason a country imposes a tariff on imports from another country is due to one of two things: Either to raise the Government's income through taxes, or to decrease the consumption of imported items by increasing the price to make it less attractive to its citizens in order to improve the balance of payments.

As the gentleman from New York, I am sure, is aware, no American exports to the Soviet Union are imported to be sold to the Soviet citizens. In other words, there can be no tariff imposed by the Soviet Union on imports from the United States because the Soviet Government itself is the purchaser, so any tariff would be a tariff by the Soviet Government on the Soviet Government, which would be absolutely meaningless.

So, with regard to the whole discussion of the most-favored-nation status, it is more window dressing in order to boost the ego of the Soviet Government than anything realistic. They can concede nothing to us in the form of a most-favored nation, because their populace is not open to American products. If they were to open it up, then we would have something to talk about.

Mr. WOLFF. If the gentleman will yield further, let me say his point is very well taken. We are taking a free enterprise system and trying to compete with a closed system. I must say I am in favor of détente if it really means what I have been told it is supposed to mean, namely, a two-way street. Unfortunately, thus far it has been only one way, and they do not have to give much more most-favored-nation status to the Russians than we gave them with regard to the wheat deal.

Mr. BLACKBURN. We have demonstrated the most-favored-nation status with regard to them already.

Mr. WOLFF. We have taken the wheat from the American table and put it on the Soviet table. It is about time we took care of our own people here.

Now, if the gentleman will yield further for just one moment, let me say that when we talk about most-favored-nation treatment there is within the question of the most-favored-nation policy the question of the emigration policy of the Soviet Union. Well, the Soviets have said that we are interfering in their domestic problems by doing this. However, the Soviets are signatories to the Human Rights Convention. They are a part of the United Nations.

If they want to live in a community

of nations, I think they should abide by the principles of that community of nations and see to it that they do permit all of their citizens—not only Jewish but all of them—the right of emigration. Unfortunately, that is what Churchill meant when he talked about an iron curtain being drawn over Europe. He meant that there was an iron curtain being lowered to lock those people in instead of permitting them free access to the world so that they could understand what exists in the outside world.

Mr. BLACKBURN. I certainly commend the gentleman for his observations. The International Labor Organization within the past week voted on a resolution to censure the Soviet Union because of its use of slave labor for production purposes, not only with regard to civilian goods but military goods as well. Unfortunately, the vote of censure was defeated. It is most noteworthy that the Soviet Union can continue to use the same brutal acts, the same totalitarian and inhuman ways that it used with its citizens since the October revolution of 1917, while the world is suddenly silent. We must condemn the U.S.S.R. for the treatment of its citizens. In fact, with regard to détente I share the gentleman's genuine desire that we should have a real détente with give on both sides. However, when we look at détente in real terms we can only see American concessions to the Soviet Union and massive outflow of American technology, American capital equipment, and American capital. At a time when interest rates in our own country are running extremely high we are exporting capital to the Soviet Union at bargain rates. What have we gotten in return? Absolutely nothing. In fact, when we were trying to get the oil embargo removed in the Middle East, because it was causing such havoc to our economy, the Soviet Union was broadcasting in the Arabian language to the Middle East urging that the embargo against the United States and the West should be continued. That is the kind of treatment we are getting from them.

I certainly share with the gentleman from New York the question of what we are getting in return from détente. Frankly, I see nothing to date of any value.

Mr. WOLFF. Mr. Speaker, I would like to commend my distinguished colleague from Georgia (Mr. BLACKBURN) for calling this special order today. The executive agreements that will be made by the President with the Soviet Union during the course of his visit in Moscow should be a matter of concern to every Member of both the House and Senate.

I think that the majority of my colleagues recognize the importance of achieving mutual understanding and cooperation with all nations of the world. Peaceful coexistence is essential for the future of this country and indeed all mankind. However, not every action which is made in the name of détente is necessarily in the best interests of the United States and our ultimate security, and it is incumbent upon the Congress to determine whether agreements made by the Executive with nations like the

Soviet Union are in the best interests of its constituency, the American people.

It is the responsibility of the Congress to insure that détente is not pursued on a one-way street that leads to a weakening of this Nation. We cannot afford to repeat the experience of Yalta. In the past, the Soviet Union has not been dependable. Indeed, even as the administration has pursued détente, the Soviet Union has acted to aggravate hostilities in various areas of the world, like Korea, Indochina, and the Middle East. The Congress must awaken itself to the fact that any agreements which the President makes in Moscow will without question involve the economic viability and ultimate security of the United States. We cannot afford to become engaged in an economic war with any nation, but particularly with a nation whom we are "courting" in the interests of world peace.

Aside from the potential ramifications of agreements made in Moscow, it is my belief that all executive agreements, not only those to be made in Moscow, should be subject to a disapproving power by the Congress. Executive agreements are simply too far reaching to lack congressional scrutiny and concurrence. If Congress is not assured of a voice in determining the wisdom of executive agreements made with other nations, then I feel we must put the President on notice that funds will not be appropriated for any agreement which casts doubt over the future economic viability and security of this country.

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

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

Mr. CRANE. Mr. Speaker, I thank the gentleman from Georgia for yielding to me.

I would simply like to applaud the observations made by the gentleman from New York (Mr. WOLFF). I think the gentleman has touched upon a very important fact here when the gentleman makes observations that the Soviet Union with all of its commitments to grant international declarations and charters on the concept of human rights, has obviously engaged in its classical Soviet Union language because it has never once attempted to implement in any kind of brief way the grand words that it put its pen to.

There should be first of all a lesson to all of us here that they have different meanings for words than we have here in the United States. If they have totally and diametrically opposed meanings to such words as human rights from those we employ then I think we ought to be careful when we are talking about détente, as to the meaning of détente to them.

With regard to the charge that is sometimes raised that if the United States does extend the most-favored-nation status to the Soviet Union, and maybe an extension of credit and consumer products, that this would bring recognition by the Soviet Union of the right of expatriation, the right to freely emigrate, I would merely argue that we are not tampering with their internal af-

fairs, they are coming to use seeking a special concession and favor from the American people. Therefore we have every right in the world to use that non-violent concession that we are in the position to give, as a means of imposing some leverage upon the Soviet Union to honor indeed the commitments it made, in words, at least, in these grand international charters that they have signed.

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

Mr. BLACKBURN. I will be glad to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I too share the concern of the gentleman from Illinois as to what détente really means to the Soviet Union. I think we perhaps have some different meaning of détente on the part of two parties.

Détente to me means a lessening of tension. Certainly in view of what has happened in the recent Mideast conflict, I cannot see much détente in the dictionary meaning of the word. But I do hope that representatives of the Secretary of Defense and also the Director of the CIA are present in Moscow when discussions are undertaken because when Secretary Schlesinger appeared before the House Committee on Armed Services, of which I am a member, the first few words that he stated were that détente does not mean that the Soviet Union has had a change of heart.

Then at a subsequent meeting Director Colby of the CIA virtually said the same thing. He said that détente does not mean that the Soviet Union has changed their objectives.

And then at a further subcommittee meeting of the Subcommittee on Research and Development, of which I am also a member, Dr. Currie, the head of the Research and Development, amplified what détente meant. He said that he did not believe that the Soviet Union had changed their objectives; that they were using détente as a means of getting our technology.

The gentleman in the well, Mr. BLACKBURN, from Georgia, has pointed that out; that under détente and under the loan programs that we have carried out, they are receiving a great part of our technology.

Dr. Currie went on to point out that on an individual research program the Soviet Union is the equal of the United States, but what superiority we have lies in the technology spread throughout our whole industrial and defense basis; that is, the ability to conceive a new weapons system, to fashion the weapons system and produce it in quantities.

We still have that technology, and that is my concern that Russia, the Soviet Union, may be aiming to obtain that same type of superiority we have.

Mr. BLACKBURN. Let me make this observation to the gentleman from Missouri. I think it is something that should be repeated for the whole American public. The statements by the Secretary of Defense, and the head of the CIA, Dr. Colby, that the Soviet Union does not view détente as a basic change in its objectives, is not merely a supposition of

American political leaders. This is a policy position which has been articulated by none other than Leonid Brezhnev, the Soviet Communist Party boss.

Shortly after the term "détente" blossomed into public view Leonid Brezhnev in a meeting with the Communist leaders of the Warsaw Pact was asked by them: Does this détente mean that the Soviet Union has given up its long-term objective of ultimate domination of the world. The substance of Leonid Brezhnev's answer was:

Détente does not mean any change in Soviet long-term objectives. It is merely a tactical shift for policy purposes. We intend to pursue it for between 12 to 15 years. During that time we will build up the strength of the Soviet Union, using Western technology, to such a point that at the end of that period we will deal with the West from a position of superiority.

That is what Mr. Brezhnev has said. Neither the Department of State nor any other governmental source ever denied that he made this statement. I do not see how we can ignore a statement of that strength coming from our main adversary.

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

Mr. BLACKBURN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I think what Mr. Brezhnev is saying is that we are going to buy a little time here for the 12 to 15 years to pluck the eagle so we can fatten up the bear. It is just about that simple.

To me this whole idea of giving the Russians technology so that they can build bigger and better weapons, for which we have to soak the American taxpayer so that they can build bigger and better weapons, is absolutely pathologically irrational. For the life of me I cannot understand what our logic is when on the one hand we beat the taxpayers over the head to support a national defense system, and on the other hand we are feeding the bear with corn, technology, and everything else that comes along. It does not make sense.

If the taxpayers ever wake up to these things, they will probably come down here with their pitchforks and straighten up the Congress.

Mr. BLACKBURN. I certainly appreciate the gentleman's remarks.

Mr. SYMMS. Mr. Speaker, will the gentleman yield further?

Mr. BLACKBURN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I should like to commend the gentleman from Georgia for taking this time to bring this to the attention of Congress.

Mr. Speaker, as new rounds of negotiations begin tomorrow in the Soviet Union, it is absolutely essential that we carefully reassess the results of our previous agreements with the leaders in the Kremlin and thereby avoid some serious and possibly dangerous mistakes.

While we all desire a relaxation of tensions between the United States and the Soviet Union, we must nonetheless

realize that fundamental differences will continue to exist between our two systems of government and philosophical outlooks. In nearly all of the statements and accompanying actions emanating from the Soviet Union during the years of détente they have reaffirmed their commitment of unalterable opposition to the entire Free World. The Soviet Union has continued to support so-called wars of national liberation throughout the world. Although well over a year has passed since American forces were withdrawn from the Republic of Vietnam, the Soviet Union continues to sustain forces of North Vietnam in not only South Vietnam but in Cambodia and Laos as well. Similarly the Soviet Union helped precipitate the war in the Middle East last October and then did her best to prevent a rapid settlement of the conflict. In the recently completed agreements by Secretary of State Henry Kissinger in the Middle East, the best that could be said about the Soviet role is that they did not interfere.

Lastly in regards to defense and weapons development the Soviets have moved rapidly forward to fulfill the generous quotas allotted to them under the SALT I arrangements. They have developed a MIRV capability that was quite unexpected and in general have apportioned an increasing amount of their resources to research and development in defense. The general movement of the Soviet Union toward a goal of military superiority to the United States is reflected in the fact that they allocate about 40 to 50 percent of their gross national product to defense expenditures compared to only 6 percent in the United States.

Mr. Speaker, thus in all of our future negotiations we must remain especially cognizant whether our actions may in fact be assisting the Soviet Union in their proclaimed goal of world domination or if a genuinely quid pro quo arrangement is concluded. This must especially be the case in the future because many of our past agreements with the Soviets, especially dealing with trade, have undoubtedly contributed substantially to the potential threat that the Soviet Union poses to ourselves and the entire free world.

American trade with the Soviet Union has increased substantially in recent years and on the surface this appears as if it has been an enormously profitable arrangement for the United States. For some American firms, the short-range benefits of such trade may be great but other consequences, both current and in the long range, suggest that serious reevaluations of the trade policy are in order.

In 1973, the Soviet Union imported \$1.2 billion in goods from the United States while exporting only \$235 million in return. While the paper figures conspicuously reveal an enormous trade surplus for the United States both the composition of that dollar surplus and particular ingredients of the trade deserve careful study.

Rather than paying for the goods with hard currency that will directly benefit

the American trade balance, we have provided extensive lending arrangements both through governmental and private channels. Thus nearly 90 percent of their purchases have been based on credit. Only several weeks ago the Export-Import Bank granted a loan of \$180 million to the Soviet Union at only 6 percent interest rate for the development of a natural gas and fertilizer complex. This is the largest loan they have ever extended to the U.S.S.R., and it is being matched by another \$180 million from a consortium of American banks. Thus the Soviet Union is not only importing goods from the United States, but at the same time it is importing the money with which to pay for the goods.

This might even be acceptable if the American money markets were glutted with surpluses, and we would receive a substantial amount of guaranteed interest on the loans. But as all American consumers and businessmen know, we are currently suffering from great shortages of available funds, with interest rates for mortgages and other purposes at around 10 percent. On Monday, June 24, the Wall Street Journal reported that First National City Bank has posted a prime rate of 11½ percent while First National of Chicago boosted its rate to a record 11.8 percent. With so little money available for Americans to purchase consumer goods or industries to use for plant modernization or expansion that increases employment and productivity, the extension of any credit to the Soviet Union seems especially unwise and unwarranted at this time.

One additional consideration makes the extension of these massive credits to the Soviet Union a highly dubious proposition. Even while the Russians have been requesting all of these loans, they possess a stockpile of gold bullion. We do not know precisely how much gold they have in reserve, but we do know that they have been mining extensive amounts of gold in recent years and allowing little of it to flow out of the country. Thus they could apparently easily compensate for their balance-of-payments deficit with their own gold production rather than through the generous credit we have extended to them. If we send hard goods to the Soviet Union, we should be receiving hard currency in return.

Besides the problems I have dealt with concerning the Soviet Union's absorption of money from the United States at low interest rates, numerous other reasons compel one to have reservations about the present trading arrangements. Doubts about the nature of the trade itself should be at least as great as those about the financial arrangements surrounding it.

At one time trade with the Soviet Union was promoted as simply the exchange of goods between two countries, with the major beneficiaries of such trade being the consumers in both countries. Some even projected that massive shipments of American consumer goods into the Soviet Union would "capitalize" the people who would be driven by American automobiles into the Pepsi generation. The tortuous experiences of so many Soviet citizens, spelled out most graphi-

cally by the testimony of Alexander Solzhenitsyn, has largely dispelled many of the careless assumptions about increasing trade meaning any increasing liberalization of the authoritarian rule of Communist hierarchy.

Instead, the evidence now indicates that precisely the opposite has happened. If the trade has had any impact upon the Soviet Union, it has undoubtedly strengthened the repressive control of the rulers in the Kremlin and made them much more formidable adversaries throughout the world. Rather than having any interest in importing consumer goods that would directly benefit the average Russian, the Soviet rulers have concentrated their attention upon goods that have a direct beneficial impact upon their military capabilities.

We have already sent to the Soviet Union tremendously sophisticated machinery which, under their own system of ideologically suppressing individual ingenuity, they were years if not decades from developing on their own. At one time, we had a relatively effective Office of Export Control which closely supervised the transfer of strategic materials to the Soviet Union. But in the last 18 months, all but 70 out of the 550 items on their embargo list have had their export restrictions removed. Thus the flow of advanced technology from the United States to the Soviet Union has rapidly turned into a frightening torrent.

Mr. Speaker, few analysts doubt now that the only way in which the Soviet Union was able to make the swift advances they have in MIRV technology has been through the extensive use of American and British computer technology. More broadly, the nearly unrestricted export of computers to the Soviet Union may well be cited as the most dangerous commodity we have ever sent to them. The computers they have imported are obviously not being used to figure out the charges on the average Moscovites credit card. Yet most Americans' familiarity with the work of computers probably has created just such a false impression. Instead, computers are being used in almost every aspect of modern weapons development. All of the complicated calculations implicit in sophisticated guidance systems are resolved only as expeditiously as the computers can perform. The knowledge revolution involved in information retrieval systems undoubtedly has surpassed in importance the strategic value of conventional assets such as available manpower or petroleum supplies. Yet, under the auspices of simply increasing trade with the Soviet Union, we have in effect been rendering them invaluable military assistance. We then find that we must compensate for the Soviet progress in areas such as MIRV by allocating billions of additional American dollars to our own defense program.

Numerous other illustrations can be cited which similarly reflect a nearly suicidal urge in many of our dealings with the Soviet Union. We have assisted them with the construction of the massive Kama River truck plant and its tremendous amount of precision tooling

machinery. We have exported ball-bearing production processes that form an integral element of the guidance system of missiles. And most recently numerous suggestions have been advanced that we export to them the entire production processes involved in the construction of American jumbo jets. Both the manufacturers of the jets and the processes themselves are obviously related with the construction of giant military aircraft of great strategic value. The Soviets have also been attempting to entice American capital and ingenuity into Siberia in order to develop their gas and oil deposits.

If the deals consummated so far and contemplated in the future reveal anything, it is that our highest priority must be a moratorium on any further actions until the Congress has had an opportunity to evaluate all that has transpired thus far.

In trade negotiations, the Soviet Union quite simply outmaneuvered our side very badly. They revealed that they are much shrewder financial operators than the alleged capitalists they so regularly inveigh against. They have also amply demonstrated an ability to garner a windfall profit in both the now notorious wheat deal and more recently in the oil embargo. Christopher S. Wren wrote in the *New York Times* on June 5, 1974, that—

The jump in world oil prices enabled the Soviet Union last year to reap nearly a billion dollars more in oil revenue than a year earlier, with only a modest increase in exports.

He pointed out that while the Soviets strongly supported the Arab embargo against the Netherlands they increased their own exports to that country by one-third and "charged them nearly three and a half times what they paid in 1972." Oil is thus now the Soviet Union's principal source of hard currency.

The Soviet leaders have often stated quite candidly that their present desire for trade with the Western world is primarily a tactical consideration necessary for the advancement of their economy and that they remain as committed as ever to their ideological assumptions. Neither the peace nor the stability of the world is dependent upon the kind of concessionary trading arrangement we have thus far concluded with the Soviet Union. Just this past Monday night in his first television interview, Russia's most eloquent and perceptive commentator, Alexander Solzhenitsyn very tersely summed up the situation in these words:

This is the way it is. International detente does nothing to help the situation inside the Soviet Union. Tell me please, let's be realists, what kind of guarantees are there that the treaties will be fulfilled today or tomorrow. And when your businessmen, frequently in alliance with our leaders, say that trade guarantees peace, that it's obvious to a child that it's not true; it doesn't guarantee anything. On the contrary, trade goes on so long as there is peace and when there isn't peace, there won't be any trade.

If the cold war could be transformed into genuine competition between our two economic systems, I along with most

Americans would welcome such a challenge. Khrushchev boasted to then Vice President Nixon on another trip to Moscow that under such competition the Soviet Union would surpass the United States by now. On their own the Soviets have not been able to even approach American economic achievements.

In recent years, however, there has not been competition between the two rival systems. Instead we have been subsidizing the failures of the Soviet system to such a massive extent that even if they do not surpass us economically in the foreseeable future, they may well do so militarily. We have quite simply been transferring to the Soviet Union on credit the great technological advances wrought by the creativity unleashed in a free society. The awesome tragedy of the situation is that these ventures have not only proven costly to the American consumer in numerous direct and indirect ways, but also have helped sustain a repressive tyranny over millions of people and maintained an increasingly powerful military threat to the security of the entire free world.

Mr. ROUSSELOT. Mr. Speaker, Russia's *Izvestiya* newspaper on June 4, 1974, contained an article concerning the \$360 million in credits which have been extended to the U.S.S.R. by the Export-Import Bank and U.S. commercial banks. Dr. Armand Hammer's Occidental Petroleum company has the major interest in the Soviet-United States trade which will be brought about by this deal. The following excerpt of this article appeared in the June 11 edition of the Daily Report on the Soviet Union, published by the Foreign Broadcast Information Service, page B8:

#### IZVESTIYA ON CREDITS

Moscow, June 4.—Tass—*Izvestiya* newspaper emphasizes today that an agreement signed in Washington on granting a credit of 360 million dollars to the Soviet Union "makes it possible to practically start implementing the biggest of the now available projects of Soviet-U.S. economic cooperation." The credit will be used for the purchase in USA of machines, equipment, materials which are necessary for the construction of a large complex for the production, storage and transportation of chemical fertilizers in the USSR, in the area of the town of Togliatti. *Izvestiya*'s correspondent Stanislav Kondrashov points out that this mutually advantageous deal was offered on behalf of the U.S. "Occidental Petroleum" corporation by its director, Dr. Armand Hammer, veteran of Soviet-U.S. trade, who had concluded the first deals with the young Soviet Russia as far back as early twenties. The newspaper emphasizes that this biggest deal in the entire history of Soviet-U.S. trade ties is paving the way for the signing of a final agreement on the construction of the chemical complex and on reciprocal deliveries of fertilizers. In a period of twenty years beginning from 1978, reciprocal deliveries will amount in terms of money to 20,000 million dollars proceeding from the current world prices. Vladimir Alkhimov, the leader of the Soviet delegation, deputy minister of foreign trade of the USSR, in an interview with the *Izvestiya* correspondent, expressed much gratification at this mutually advantageous agreement, at the terms of the credit, in particular, and at the fact that the credit is to be paid off by the proceeds from the marketing in the USA of part of fertilizers which are to be produced by the new chemical complex.

Since this "biggest deal in the entire history of Soviet-United States trade ties" is supposed to be "paving the way" for bigger deals to come, it might be wise to take a closer look to determine if it really is "mutually advantageous," as the Soviets contend.

The \$360 million in credits are financed from \$180 million in direct credits by the Export-Import Bank of the United States, and \$180 million in credits provided by a consortium of American banks. Repayment on commercial bank credits is to be made over a 12-year period beginning May 20, 1979, but repayment on Eximbank's direct credit of \$180 million will not begin until 1985. Dollars are bound to become cheaper as inflation progresses. In addition, the Soviets will repay these credits, if at all, from the proceeds of the sale of fertilizer in the United States at the U.S. market price at that time, provided that we still need it, which even Dr. Hammer admits we may not.

As I understand the agreement, the ammonia, urea, and potash that we will get in return for our investment may be marketed elsewhere if it is no longer in short supply in this country. In this case, we will be put in a position of having given up our vital commodities in return for something we do not need. If in 1978, when this trade is scheduled to commence, we find that we do need the Russian products, we will find ourselves in a position of dependence on the Soviet Union. Whatever happened to Project Independence?

In short, we provide to our detriment the "seed money" and technology to set the Soviet Union up in the fertilizer business and receive in return the right to trade for fertilizer, just like any other country will presumably be able to do at that time.

I can see no advantage to this country in such an arrangement and it troubles me to consider how many more such one-sided agreements may be concluded during, or in the wake of, the current Moscow summit talks.

At the present time the administration seeks to obtain through H.R. 13338 an additional \$10 billion in borrowing authority for the Eximbank—much of which would undoubtedly be used to finance the export of more American capital, technology, and capital goods in return for the mere opportunity to buy the finished product.

Congressman JOHN DENT and I have introduced legislation, H.R. 14302, which would give Congress an active role in approving Eximbank's transactions. Congress was given the responsibility in article I, section 8 of the Constitution "to regulate commerce with foreign nations," and we must exercise our proper constitutional mandate. Next week we will be asking for cosponsors of our legislation, and I urge all of you who have participated today to join us in this effort. The full text of H.R. 14302 follows:

#### H.R. 14302

A bill to amend the export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to extension of credit by the Bank, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(b) (2) of the Export-Import Bank Act of 1945 is amended by striking out "President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same." and inserting in lieu thereof the following: "Congress determines would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For the purpose of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and 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 thirty-day period."*

(b) The second sentence of section 2(b) (3) of the Export-Import Bank Act of 1945 is amended by striking out "if the President determines that any such transaction would be contrary to the national interest." and inserting in lieu thereof the following: "unless Congress determines that such transactions would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of thirty calendar days of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For purposes of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and 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 thirty-day period."

(c) Section 2(b) of the Export-Import Bank Act of 1945 is amended by redesignating paragraph (5) as paragraph (6) and inserting immediately after paragraph (4) the following new paragraph:

"(5) The Bank shall not guarantee, insure, or extend credit, or participate in any extension of credit with respect to any non-market economy country which—

"(A) denies its citizens the right or opportunity to emigrate;

"(B) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

"(C) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice; until such time as the country is no longer in violation of this paragraph."

SEC. 2. Section 11 of the Export-Import Bank Act of 1945 is repealed, and section 12 of such Act is redesignated as section 11.

#### GENERAL LEAVE

Mr. BLACKBURN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. ANDERSON of California). Is there objection to the request of the gentleman from Georgia?

There was no objection.

**OSHA: THE NEED FOR ON-SITE CONSULTATION**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 20 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, tomorrow the House will consider the Labor-HEW appropriations bill. I intend at that time to offer an amendment to meet the particular needs of small business in dealing with OSHA by providing on-site consultation through grants to States. I also rise in strong support of the increased funding for the National Institute of Occupational Safety and Health for health research, and for increased compliance personnel for the Occupational Safety and Health Administration.

The 3 years experience of the 1970 act clearly indicates the need for targeted, additional funding to enable these agencies to do a first-rate job as they seek to deal with the often quite complex and controversial issues of occupational safety and health in the coming fiscal year.

Three years after the effective date is also a good time to take a reflective look at the accomplishments and shortcomings of an act with the size, scope and complexity of the Occupational Safety and Health Act of 1970.

The act represents a basic departure from previous State programs which relied on abatement periods after inspection as the primary means of enforcement. Given the limited number of compliance personnel for State programs, the effectiveness was, on a nationwide basis, marginal. The "first instance sanctions" concept of OSHA requires that employers and employees be in compliance before they are inspected, not after. This concept makes sense, but only if information is readily available before inspection on the specific application of the standards in the workplaces. For large employers, particularly those with Federal contracts subject to the Walsh-Healy Act, the safety and health requirements of the insurance companies, and other laws had pretty well prepared them for OSHA.

The record is generally one of progress. A sizable, force of generally well-qualified, well-trained compliance personnel has been assembled. Rather comprehensive safety standards have been promulgated, and few can dispute that more has been done about safety and health in the last 3 years than perhaps in the last hundred. A glaring exception to the general progress has been the need for assistance to meet the particular needs of small business.

For the small businessman without attorneys on retainer, or safety and health professionals on their staff, the standards as published in the Federal Register might as well be written in a foreign language.

Off-site consultation is available from OSHA and on-site consultation is available in some 18 of the 26 States with federally approved State plans. A wide array of consultation services from insurance companies and private firms in

the private sector is available as well. The employer in a State without consultation, however, who requests OSHA to come to his worksite to advise him on the specific application of the standards is correctly told that the law prohibits authorized representatives of the Secretary of Labor from coming onsite without issuing citations and penalties for violations that they may find during the consultation visit.

The legislative history of sections 8 and 9 of the act is clear on this point. This limitation has had a rather chilling effect on voluntary compliance and, in large part, is responsible for the climate of frustration and fear among many small businesses which has generated the large volumes of often outright hostile mail to virtually all Members of Congress. Moreover, it has helped to produce a climate in which rumors, misinformation and outright distortion are often more prevalent than the hard information and sound advice employers and employees need in order to deal with the real hazards in their workplace.

The first congressional hearings to explore this area of deep controversy where those chaired by the able gentleman from Missouri (Mr. HUNGATE) of the Select Small Business Subcommittee on Environmental Problems Affecting Small Business some 2 years ago. Fairly extensive hearings at that time followed by further hearings that fall of the Select Labor Subcommittee of the Education and Labor Committee stressed again and again the key need for on-site consultation for small employers. As a result of that testimony, I introduced legislation to provide on-site consultation within the Department of Labor which had the wide bipartisan support of nearly 60 cosponsors and the endorsements of the administration, the AFL-CIO, the National Safety Council, and perhaps most importantly the National Small Business Association and the National Federation of Independent Business.

Though it did pass the Senate as an amendment to another bill in October 1972, this effort unfortunately was blocked by the end-of-session legislative log-jam of the 92d Congress.

Hearings before Mr. HUNGATE's subcommittee again this past February and the hearings presently underway in the Select Labor Subcommittee have again demonstrated beyond question the need for congressional action in this area. During testimony by Jack Sheehan, legislative director of the United Steelworkers, the concept was discussed that while Federal inspectors were under limitations of the worksite, State personnel under contract might be able to perform this service without the threat of citations and fines.

In a careful review of the law I find ample authority to carry out such a program. Specifically, section 7(c)(1) of the act states that:

In carrying out his responsibilities under this Act, the Secretary is authorized to . . . with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement.

Further section 21(c) of the act states and I quote:

The Secretary, in consultation with the Secretary of Health, Education, and Welfare shall (1) provide for the establishment and supervision of programs for the education and training of employers and employees in the recognition, avoidance, and prevention of unsafe and unhealthful working conditions in employments covered by this Act, and (2) consult with and advise employers and employees, and organization representing employers and employees as to effective means of preventing occupational injuries and illnesses.

The Solicitor of the Department of Labor has provided me with a ruling which affirms the legality of such a program of grants to States. The ruling follows:

U.S. DEPARTMENT OF LABOR,  
Washington, D.C., June 26, 1974.  
Hon. WILLIAM A. STEIGER,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN STEIGER: This is to advise you of our position with regard to the question of whether the Department of Labor may, under the provisions of the Williams-Steiger Occupational Safety and Health Act, enter into contracts with State agencies under which State personnel would conduct onsite consultation without issuing citations and proposing penalties.

After full and careful consideration of the legal issues involved, I have concluded that the Department may enter into such contracts.

Section 7(c)(1) of the Act authorizes the Secretary to accept and use the services of the States, or political subdivisions, with reimbursement "in carrying out his responsibilities under the Act." One of the Secretary's responsibilities, contained in section 21(c)(2) of the Act, is to "consult with and advise employers and employees . . . as to the effective means of preventing occupational injuries and illnesses." It is therefore clear that the Secretary may, with reimbursement, accept and use the services of States and political subdivisions under section 7(c)(1) in order to fulfill his responsibility to consult and advise employers and employees regarding the prevention of occupational illnesses and injuries.

Under section 21(c)(2), the Secretary may provide consultation and advice to employers either at the worksite or away from the worksite. However, where the consultation is provided at the worksite by representatives of the Secretary of Labor, it is our view, as a matter of legal and policy consideration, that if the representative of the Secretary observes any violation, appropriate citations and penalties must be issued. Section 9 of the Act provides that, upon inspection, a compliance officer who believes that an employer has violated a requirement of the Act must report such an alleged violation. If the Area Director concurs, an appropriate citation, and in many cases a proposed penalty, will be issued to the employer. Since section 8 of the Act makes it clear that any entering upon the employer's premises is regarded as an inspection provided for in section 9, appropriate enforcement action would have to be taken following a consultation visit by the OSHA personnel conducted on the employer's premises.

In our view, the above analysis would not be applicable where the consultation and advice is provided by State personnel under section 7(c)(1) agreements. The requirements of section 9 regarding the issuances of citations and penalties applies only to the Secretary "or his authorized representative." State personnel under section 7(c)(1) agreements would therefore not be cov-

ered by the mandate of section 9. This would be made completely clear if the section 7 (c)(1) agreement were to include a provision that the State personnel would be authorized only to provide consultation and not to issue citations and penalties. Clearly, then, State personnel, in providing on-site consultation under the 7(c)(1) agreement, would not be required, as are Federal personnel, to issue citations and penalties, if violations should be disclosed; indeed, State personnel would not be authorized under the agreement to issue citations.

For your convenience, I have enclosed the pertinent statutory provisions involved in these issues. I hope this satisfactorily answers any questions you may have in this matter.

Sincerely,

WILLIAM J. KILBERG,  
Solicitor of Labor.

PERTINENT STATUTORY LANGUAGE

SEC. 21(c). The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall . . . (2) consult with and advise employers and employees, and organizations representing employers and employees as to effective means of preventing occupational injuries and illnesses.

SEC. 7(c)(1). In carrying out his responsibilities under the Act, the Secretary is authorized to—(1) . . . with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement . . .

SEC. 9. If, upon inspection or investigation, the Secretary or his authorized representative believes that an employer has violated a requirement . . . of any standard . . . he shall with reasonable promptness issue a citation to the employer.

Mr. STEIGER of Wisconsin. This approach also has received the support of the administration, the National Safety Council, the National Association of Manufacturers, and again most importantly the National Small Business Association, the National Federation of Independent Business and the American Retail Federation.

Because of controversy surrounding OSHA and the importance of assistance to small business, I feel it is appropriate to spell out in some detail the legislative intent regarding the operation of such a program.

It is intended that proposed regulations to implement this program should be reviewed in detail by the National Advisory Committee on Occupational Safety and Health, and that the regulations should be proposed for comment and hearing in the Federal Register in order to insure a maximum opportunity for comment from all affected parties. The proposed regulations should also be submitted to the appropriate committees of the Congress.

The amendment would provide \$5 million for programs of grants to State agencies designated by the Governors and would be distributed among the States on the basis of objective criteria. Because of the critical need for reliability and uniformity of advice, the qualifications of the State Compliance Consultants would be reviewed by OSHA. Selection, however, would be made by the State.

The Compliance Consultant should be fully experienced and trained as the Compliance Safety and Health Officers—

CSHO's—and should complete the full safety and health training program provided by the OSHA Training Institute in Chicago. This is to insure the advice employers obtain from the Compliance Consultant is based on the same training as that obtained from the CSHO's.

Consultation personnel would be maintained separate from any enforcement authority, but should be fully included in the OSHA information process for any program directives, standards up-dates, Review Commission decisions, and all appropriate policy and administrative materials.

On-site consultation would be provided only upon request of the employer according to the following priorities: First priority would be given to small businesses; the smaller the business, the less specific the request would have to be. Second priority would be given to on-site consultation for other businesses; the larger the business, the more specific the request would have to be. Third priority, should there be resources left over, would be given to the off-site consultation and other education and training, compliance programming, or voluntary compliance activity.

The consultant would walk through the plant observing the working conditions and then hold a closing conference pointing out the hazards he discovered and discussing suggested means of abatement. He would also inform the employer that this would be followed by a written report. No citations and penalties would be issued on the basis of the consultant's visit and the file would not be transferred to the Federal or State enforcement staff. However, in the event of an imminent danger situation, the consultant must request immediate abatement or if abatement is not possible, removal of the workers from the dangerous area. If the employer refuses to abate, the consultant must advise OSHA of the situation.

Federal enforcement would continue without regard to State consultation activity. An employer seeking consultation would not be immunized from regular inspection activity but the consultation would in no way trigger an enforcement inspection.

In the possible event of a future compliance inspection, the inspector would issue appropriate citations and penalties and may request a copy of the consultant's report and would consider the report in determining good faith or the lack thereof. The compliance personnel will not be legally bound by the advice given by the consultant or the failure of the consultant to point out a specific hazard, but the employer's request for consultation in an attempt to achieve compliance would be a good faith factor for the purpose of proposing penalties.

OSHA would carefully monitor the program to insure the reliability and competence of the consultation services. In addition, special attention would be given to determine whether hazards, particularly serious hazards, discovered during a consultation visit remained unabated despite the consultant's advice.

In conclusion, I would again stress that this concept is the product of four sets

of hearings by committees of the House over a period of 2 years. The amendment has the support of the administration, the National Safety Council, the National Association of Manufacturers, the National Small Business Association, the National Federation of Independent Business and the American Retail Federation.

It is my hope that the oversight and legislative hearings now underway in the Select Labor Subcommittee of the House Education and Labor Committee would monitor the progress of the implementation of the proposal, as well as review the recommendations of the National Advisory Committee on Occupational Safety and Health, the States and affected parties.

I urge the adoption of my amendment, and attach the endorsements of the NSBA and NFIB:

NATIONAL SMALL BUSINESS  
ASSOCIATION,  
Washington, D.C., June 24, 1974.

Hon. WILLIAM STEIGER,  
Longworth House Office Building,  
Washington, D.C.

DEAR MR. STEIGER: We have been apprised of your intention to offer an amendment to the Labor-HEW appropriation bill designed to provide on-site consultation services for business. It is our understanding that the amendment will call for a five million dollar appropriation to be administered by the Department of Labor, which in turn will make grants to the states for the purposes of establishing on-site consultative services.

This approach would certainly seem to answer the needs of the millions of small businesses who are in desperate need of help in their compliance efforts. NSB feels that this will alleviate any need for directly amending the Act to accomplish the same purpose. Furthermore, we understand that by allowing the states to do this, the consultation will not be limited to firms employing 25 or less. There are a great many medium-sized businesses who are in need of this service.

We are informed that amendments may also be introduced to exempt smaller firms from compliance. While on the surface this action would seem to take care of the problem for small business, we found, in effect, that the exemption, as voted during the preceding Congress was so limited and so narrow that only the smallest of the smalls would have benefited. At the same time, any outright exemption would tend to counter the stated purpose of the Act itself, mainly to provide the safest possible work-place. NSB certainly has no desire to take such a position. Our problem, and that of our membership, with the Act has always been in the administration thereof.

Once again to the extent that your proposed amendment will supply the needed consultation services and will further assist small business in coming into compliance, the National Small Business Association wholeheartedly supports your effort.

Sincerely,

MILTON D. STEWART,  
Vice President.

[Telegram]  
WASHINGTON, D.C.,  
June 25, 1974.

Representative WILLIAM STEIGER,  
House of Representatives,  
Capitol Hill, D.C.:

The National Federation of Independent Business strongly supports your amendment to provide on-site consultation. Such counseling is critical to achieving greater volun-

tary compliance with the Occupational Safety and Health Act.

FREDERICK L. WILLIFORD,  
Director of Government Affairs.

#### THE PRESIDENT'S TRIP TO THE AZORES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, a leading newspaper in my 10th Congressional District, the Fall River Herald News, recently commented on the President's stopover in the Azores on his return from the Middle East. The meeting between President Nixon and President Spinola reaffirmed a longstanding friendship often taken for granted by the American people. The Portuguese, world-renowned for their navigational explorations, have made outstanding contributions to the industrial and cultural life of Fall River, Mass. I am privileged to represent this hub of the Portuguese community in the United States and was therefore pleased at the important role that Portugal played in the recent Middle East trip.

Mr. Speaker, I commend the following informative editorial for consideration by my colleagues:

#### PORTUGUESE ALLIANCE REAFFIRMED

The meeting in the Azores between President Nixon and Portugal's new president, Antonio Spinola, was Mr. Nixon's only stopover on his way back from his successful visit to the Middle East. The meeting in the Azores, relatively brief though it was, gave President Nixon and President Spinola a chance to meet and reaffirm the traditional excellent relations between the countries they head.

The pact permitting U.S. use of Azorean air facilities is now up for renegotiation. This country has an air base on the Azores, and wishes to extend its tenancy. There is no question but that the base is of strategic importance to the United States. It is also a guarantee of security to the Portuguese government, and this was appreciated by the government since it has never charged the United States for the use of the land.

In all probability there was no direct negotiation over renewal of the air base pact between the presidents. In a brief meeting of this kind, the most that could be accomplished was an exchange of pleasant generalities. But those are not without value. In a rapidly changing world the traditional friendship between Portugal and the United States is of inestimable importance to both. Mr. Nixon's stopover reaffirms that friendship and leaves the way open for future treaties based on the good will between the two nations.

From the standpoint of the rest of the world the visit to the Azores at the end of the President's Middle East journey was of less news value than what had gone before. But in the long run the alliance between the United States and Portugal is likely to prove far firmer and more important than the highly conjectural benefits to be derived from the various Arab states.

#### FINANCIAL THREAT TO UNIVERSITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Maine (Mr. COHEN) is recognized for 10 minutes.

Mr. COHEN. Mr. Speaker, all across the country, small private colleges and universities are threatened with financial disasters that may force them to close their doors. I view these closings with alarm. This country has always prided itself on providing equal opportunity to all Americans. In former times, the very presence of an open frontier provided an arena where literally any able-bodied man or woman could prosper by virtue of sheer doggedness and hard work. Today, however, young men and women must compete in the job market, and opportunity in the job market depends on educational background. In short, we will not have equal job opportunity unless we have equal opportunity for every American to get the education necessary to prosper in the modern world. That is why our small colleges are so important. More than any other factor, it is the proliferation of small colleges that has made higher education available to most of the young people desiring it.

The closing of small colleges is, therefore, an alarming development. But despite the unfavorable economic developments of recent years, I am not convinced that our small colleges must inevitably collapse under financial strain. As an example of the alternatives, I would call the attention of my colleagues to the case of Ricker College in Houlton, Maine. It recently appeared that financial difficulties would cause the college to close its doors. But the people of Houlton, as well as the Ricker student body, rallied as one to the college's cause. In the space of a few short months, the college advanced from the brink of financial collapse to its present solvent status.

Because I think my colleagues will be interested in the case of Ricker College, and in the efforts of the people of the greater Houlton area in saving it, I insert in the RECORD at this point an article recounting the saga of Ricker College:

#### RICKER COLLEGE

What does a town do when its college is on the brink of financial disaster, threatened with having to close its doors? Perhaps it does nothing, just sighs sadly how too bad the college has to go.

But not always. Not Houlton, Maine. Not when faced with the very real prospect of losing Ricker College. The people got out and worked. They went door-to-door, community-to-community, business-to-business, organization-to-organization. They raised money. And they did all this in an incredibly short time. By putting all their energies and resources into it, they have made it possible for Ricker to continue.

This might not be surprising in a city, or even a small town near a city. But Houlton is neither. Its 8,200 people live in northeastern Maine, only two miles from the Canadian border, in an area largely known for its potato-growing land. Its county is Aroostook, 6,805 square miles populated by only slightly over 100,000 people. Hardly metropolitan.

Nor is Ricker a large college—in fact, it's tiny. But the people here think it's well worth having. They like the educational opportunities it affords their young people. They like the cultural advantages it offers them—a

chance to see art exhibits, to hear a symphony orchestra or an outstanding speaker, to use its surprisingly fine library. Naturally, they like its impact on their economy.

They haven't always had a conscious sense of pride in the fact of having a college in their midst. But when that college was in trouble, when the hard fact of its probable closing was brought home to them, they came through. And because of their efforts, there's a new, heightened morale—in the town and on the campus.

Since 1969, Ricker has faced the rising costs and falling enrollments that have plagued many small, private colleges. And this spring it sought the protection of the courts, going under Chapter XI of the U.S. Bankruptcy Act so that its debts were frozen and it could function on a pay-as-you-go basis. But this was the slack-income time of year, and the college needed \$162,000 to cover its operating costs until the start of the next academic year in September, money it simply did not have and, frankly, saw little hope of getting.

The feeling of the community in this crisis was best reflected by the man who said, "Sure, colleges are closing all across the country, but that's going to be pretty cold comfort if we lose Ricker."

So they worked. The students, who were on top of the situation all the way, worked. So did the trustees and the administration. So did the people in the small outlying villages such as Littleton, Monticello, Loddon, Linneus and New Limerick. There were small contributions, large contributions, some coming from "way outside" as the local expression has it. And in less than two months the board met to make the unanimous decision that Ricker could continue.

The story may be insignificant compared to the fund-raising efforts of large universities or small, prestigious colleges. But this is not a wealthy area, nor does the college have alumni with great wealth. Every dollar comes hard. What has been done for Ricker—by people in Houlton and its wider community—is significant. It is comparable to a grant of ten million to Harvard.

It would seem that it might not be terribly important to Ricker students whether this particular college remains open. After all, they come from wide-flung areas throughout the eastern part of the nation, and there are hundreds of colleges only too eager to accept them. But they like Ricker; for a variety of reasons, they chose it. They have accepted the possibility of having to transfer—indeed, some of them would have anyway. But most of them have made it clear that "if Ricker is open, I'll be back."

They too have supported the college in this crisis. They helped with the fund drive. They conducted a walk-a-thon that netted a neat sum of about \$1,500 on a Saturday just before final exams. The theater group took their delightful melodrama on a brief tour in Maine to solicit interest and support for Ricker—so successfully that the Bangor and Aroostook Railroad, long a supporter of the college, presented them with a plaque in appreciation for their "extraordinary production . . . and for a valuable lesson in loyalty and courage."

And don't forget the faculty. They have helped too, some at a very real, personal sacrifice. They like the college, and they like the town. They want to stay.

This, then, is the story of Houlton and Ricker, a story of mutual concern and involvement, of cooperation that perhaps those large universities and prestigious colleges will never have to experience—but an experience they may never have the rewarding privilege of enduring.

What a nice place to live and learn!

## AMENDMENT TO H.R. 11580

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 2 minutes.

Mr. FINDLEY. Mr. Speaker, this is an amendment I propose to offer to H.R. 11580 on Thursday, June 27:

None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who inspect firms employing twenty-five or fewer persons for compliance with the Occupational Safety and Health Act of 1970.

## HOW HIGH A PRICE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, President Nixon has left for his third summit meeting in as many years, with the leaders of the Soviet Union. Presumably, he and the heads of the Soviet state will be discussing ways of bringing the world a little closer to peace.

I have often spoken about my reservations about détente. Although I am deeply concerned about insuring peace for future generations, I have never hidden my reluctance to attain this goal if it means making moral concessions.

The timing of this current summit meeting makes me more fearful than ever that President Nixon may compromise American interests and our role as the protector of human rights the world over. It is not simply the prospect of making secret deals with the Soviets, although this prospect alarms me greatly. It is that he may make any deal at all, no matter how improvident, simply to strengthen his support at home during the greatest crisis of his life.

The President's entire attitude about improving relations with the Soviet Union has, in my mind, been one of easy accommodation and bending over backwards. I cannot have respect for such a position. It demeans us as a nation. It casts us in the role of a people willing to compromise on basic moral principles simply to improve our balance of trade.

I thought I was no longer capable of being shocked by anything the President might do or say. But I found out how profoundly shocked I could still be when the President stated in his commencement address at the Naval Academy, that it was not the business of the United States how the Russians treated Jews seeking to emigrate. Because of this attitude of callous indifference, the Russians felt no compunctions whatsoever about conducting mass arrests of Jewish activists in the days before the President's trip, or cutting off their phone lines, or simply harrassing them as they walk down the streets. The President has as much as said to the Russians that they can do whatever they want to the Jews and we will say nothing and do nothing.

How desperate is this man, Mr.

Speaker? How much of a price is he willing to pay for the sake of a moment's personal glory? I cannot accept such an attitude on the part of the highest elected official in this country. I am appalled that the President of the United States should deal with the leaders of the second most powerful nation in the world after demonstrating a total lack of concern for basic human rights and dignities.

Just before the President went to Russia, the Soviet authorities arrested 50 men and women. These were all people who had been leaders in the fight to increase Jewish emigration from the Soviet Union. Shortly before these mass arrests were made, the Soviets released a story that they were willing to increase Jewish emigration to 45,000 persons a year. I say that actions speak far louder than words. We should judge the Soviet Union by what they have done and are doing, and not by what they say they will do.

What they are doing is stepping up their program of harrassment and intimidation. The President's visit has given them a perfect excuse. It is easy for them to say that they will permit 45,000 Jews to emigrate this year, because at the same time they are engaging in terrorist acts designed to dissuade Jews from seeking permission to leave. Nowhere in any of the releases on this matter, did the Russians say that they would cease harrassing Jews trying to emigrate. Not one word was said about ending the practice of cutting phone lines. Not one promise was made about ending midnight arrests or phony trials on trumped-up charges.

On the basis of this action, I recognize the Russian statement for just what it is—a ploy to ingratiate the Russian Government with the Congress, in the hopes that they can get their trade bill without the Jackson-Vanik amendment. Well, I say to the President, and I say to the leaders of the Soviet Union, that this ploy will not work. We recognize what they are doing, and we know that we have no reason to trust them or their promises.

The President apparently has his mind made up that he will get détente with the Russians, no matter what the cost to the American people, or to those brave souls in the Soviet Union struggling to protect their basic human rights. It is up to the Congress to assure them that there will not be a sellout of their interests.

The Russians have said that they would be willing to let 45,000 Jews emigrate this year. So far in 1974, the rate of emigration has been far lower than during the first 6 months of 1973. We need much more than simply hints that if the Congress does not make trouble, Jewish emigration will be increased.

We need written guarantees that 50,000 Jewish men, women, and children will be allowed to emigrate this year, and every year, until every Jew who wishes to do so can leave the Soviet Union. We need written guarantees that

the emigration process will take place without any harrassment of those seeking permission to leave. The fact that the Soviet Government has even hinted that it would be willing to increase emigration, in spite of current acts of official harrassment, is evidence that our efforts to put pressure on the Russians have been successful. They realize that we are serious about the problems of Soviet Jewry.

It is imperative that we not be taken in by these blandishments. The President of the United States and the leaders of the Soviet Union are not interested in the problems of Russian Jews. Their only interest is in dollars and rubles. It is up to us in the Congress to express concern for Soviet Jewry, and to keep up the pressure until we have the answer we want from the Russians.

## DÉTENTE DIPLOMACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, as the President prepares for his visit to the Soviet Union later this month, it should not be forgotten that the leaders of that nation with whom he will confer persist in maintaining repressive policies on the political and cultural freedoms of the people of Lithuania. And as the President returns from the Middle East, let us not forget that the rights of national self-determination that we have learned are of primary importance to the peoples of the Palestine area, and for which we now work so diligently, are rights that are equally important and deserving for the people of Lithuania and the other Baltic States.

It was in this same month 34 years ago that Lithuania was forcefully annexed to the Soviet Union in a rigged election conducted by the Red Army. To this day, however, this country has not recognized that annexation, and if we take our cherished love of freedom and individual liberty seriously, then we must stand firmly opposed to the Soviet policy of political, cultural, and religious persecution toward the captive Baltic States.

As the global champion of the democratic process and the foremost example of a free and open society, it is the duty of this great country to seize the initiative and employ the détente diplomacy now established with the U.S.S.R. to gain official recognition of the basic human rights for the people of Lithuania and other captive nations. Those rights, which are secured for us by our Constitution, should be utmost in the considerations of our negotiators. Arms discussions and economic strategies should not overshadow so fundamental an issue. It is not overstating the case to say that the concession of such elementary human dignities by the U.S.S.R. to the small Republic of Lithuania would be a great accomplishment by any standard for the United States.

**THE VOLUNTARY PUBLIC OPINION ACT**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, I recently introduced the Voluntary Public Opinion Act designed to professionalize the polling of constituents. The bill, H.R. 15178, would establish an Office of Congressional Polling to provide technical assistance to Members' offices about the wording of questions as well as the most efficient methods of tabulating and analyzing the responses.

An Office of Congressional Polling was first suggested in 1954 following a Washington, D.C., chapter meeting of the American Association for Public Opinion Research—AAPOR. This meeting dispelled the notion that any person regardless of background is capable of asking unbiased questions and correctly analyzing survey results.

One congressional aide addressing the AAPOR meeting mentioned the painstaking job of tabulating the responses but cautioned that carefully tabulated responses are no substitute for concise and unbiased questions. He suggested spending less time propagandizing constituents by means of biased questions and more time formulating the questions.

The fall 1964 edition of *Public Opinion Quarterly* included a report on a survey of 1961-62 congressional polls. Ninety-five offices responded to the survey about the numbers of constituents polled, the methods of tabulating responses and the likelihood of objectivity on the part of Congressmen making introductory remarks and formulating questions.

The authors of this more recent treatment of congressional polling techniques suggested that professional facilities should be made available to Congressmen for the conducting of such surveys. It was further noted that the cost to Congressmen to subsidize the mailings with personal funds was prohibitive.

My office recently conducted a telephone survey of all congressional offices about current polling techniques. Of 411 offices responding to my poll, 291 offices admitted sending questionnaires to their Districts on a regular basis. If an office mailed questionnaires more than once a year, annually, or once each session of Congress, I considered the office a regular mailer of questionnaires. Two hundred and thirteen of these offices said the services offered by my proposed Office of Congressional Polling would be useful to them.

Of 31 staffers indicating their Member rarely sent questionnaires, 20 expressed an interest in a professional polling service, 7 were not interested and 4 offices were undecided.

Similar figures are available for offices which never poll their districts. Of 89 offices reporting a reluctance to mail questionnaires, 30 offices thought their staffs would use professional polling services on the Hill if available. Forty of these offices were disinterested and 19 hesitated to commit themselves.

Of those offices surveyed which mail questionnaires, an overwhelming number—288—send the questionnaires postal patron. An equally impressive number—238—rely on office staffs to tabulate and analyze questionnaire responses. Interestingly enough, the job often goes to the summer interns. Several offices admitted mailing questionnaires a month or two before the beginning of summer so that the return of completed questionnaires to the office will coincide with the summer interns' work schedules. These same offices expressed regret that interns were burdened with the task the entire summer but were quick to add: "Better them than us."

A relatively small number of offices—28—reported using volunteer help. Fifty-two offices reported that they employed the services of computer firms or professional analysts in the preparation of questions or tabulation of responses. Most of these offices bemoaned the expense but felt the results more than made up for it.

It is therefore clear that millions of questionnaires come off congressional presses each year. I am interested in promoting a more professional operation on the Hill whereby the responses can be treated as accurate reflections of public opinion and not simply raw data.

**DÉTENTE AND SOVIET REPRESSION**

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, although I want détente as much as any other American citizen, I have questioned whether we really have détente and also whether we truly are receiving a quid pro quo in our efforts to reach an accommodation with the Soviets through numerous concessions and the granting of low interest loans. Rowland Evans and Robert Novak in a recent article on Soviet repression set forth a good case for demanding more quo before we give so much quid:

[From the *Washington Post*, June 10, 1974]

**DÉTENTE AND SOVIET REPRESSION**

(By Rowland Evans and Robert Novak)

Contradicting Nixon administration claims that détente is relaxing repression in the Soviet Union, the American ambassador in Moscow has privately cabled Washington that the KGB secret police has intensified harassment of Soviet citizens trying to contact the U.S. embassy.

In a May 22 "confidential" telegram to the State Department, Ambassador Walter Stoessel revealed the new "pattern of intensifying monitoring and harassment of Soviet citizens" attempting to enter the embassy. "Judging from several recent incidents, Soviet security has recently become less tolerant of such contacts," Stoessel said.

Although recent embassy protests to the Soviet Foreign Affairs Ministry have proven fruitless, the State Department is avoiding for now high-level pre-summit protests that might endanger détente. This attitude further angers critics of the Nixon-Kissinger foreign policy who hold that, while détente is desirable, it should not be purchased at the price of moral principles.

Without pressure from the West, the growing Soviet civil rights movement would not have been possible and well-known dissidents

such as Andrei Sakharov would be silenced. Nevertheless, the clamp-down on contacts with the U.S. embassy is the worst ever.

Stoessel's telegram points to "intensified Soviet security monitoring of American citizen-Soviet citizen contacts", to "overt KGB harassment of Soviets seeking (U.S.) consular advice or assistance"; and to American travelers being "the target of closer surveillance." His conclusion: "In all cases, there seem to be complications in recent months which were not in evidence as recently as three months ago."

Until then, U.S. embassy protests kept Soviet militiamen from blocking access to the embassy of Soviet citizens with written invitations from consular officials to discuss problems such as reunification with families in the United States. "Beginning in early March, however, the militia began once again to deny entry even to persons with such invitations in hand," Stoessel reported.

These citizens are now routinely taken to a large militia shack constructed on the street corner near the embassy several months ago (with militiamen often employing "considerable force" to prevent them from entering the embassy, according to Stoessel). His April 1 protest to the Soviet government accomplished nothing.

On the morning of May 29, seven days after Stoessel's telegram to Washington, a 30-year-old medical laboratory technician named Mikhail Ilyitch Parkansky approached the embassy with an invitation from consular officials. In March, a request for him and his family to emigrate to Dallas, Texas (home of his brother), had been denied and he lost his job. Now he was intercepted outside the embassy by militiamen and taken to their booth.

Protests by U.S. consular officials to the militia commander and the foreign ministry were to no avail. On May 30, the embassy suggested that the State Department notify the Soviet embassy in Washington, but there is no sign this was done.

The Parkansky case is duplicated daily. On May 29, militiamen not only barred Vladimir Barynin from the embassy but confiscated his written invitation. On May 30, a West German diplomat, seeking to enter the embassy to obtain a U.S. visa, was barred and interrogated by militiamen before he could identify himself.

Although Nixon administration officials stress recently rising emigration from Russia, Stoessel reports "an apparent step-up" in refusing exit visas. According to Stoessel, secret police have interrogated Soviet citizens seeking to rejoin close family members in the United States and "warned against discussing their cases with U.S. consular officers."

Moreover, Stoessel reports local authorities "have gone to extra lengths to frustrate or delay" marriages between Soviet and American citizens. "For the first time in recent memory," officials refused to register one such marriage that actually had taken place. Stoessel's conclusion: that the KGB has given "a relatively free hand" to prevent such marriages.

This tightened fist applies to American visitors, particularly Jews, contacting Soviet citizens. On May 7, 10 American Jews embarked on a bus with several politically activist Soviet Jews for a picnic along the Kaluzhskoye Shosse 17 miles from Moscow. When the bus arrived, it was surrounded by over a hundred Soviet security men. The Jews, both American and Soviet, were jostled, manhandled and refused access to the picnic area.

Such treatment, increasingly common for Americans seeking to contact Russians, will not be encountered by President Nixon at the Moscow summit. But it shows that the genuine quest for détente, no matter how laudable, is having little moderating impact on Soviet repression.

## AUSTRIA OPPOSES SOVIET BID

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, as those of us in the Congress, who opposes the harsh policies of repression waged by the Soviet Union against its ethnic and religious minorities, continue to champion the right and responsibility of the United States to make Soviet policies an issue before we grant trade and other concessions to the Kremlin, it is heartening to know we are not alone.

A Baltimore Sunpapers report from Moscow on May 30, 1974, says that Austrian Chancellor Bruno Kreisky told Moscow's leaders, to their faces, that he would oppose any quick windup of the European security conference until and unless the U.S.S.R. agreed to much freer contacts on the human and cultural levels between East and West.

This has been a sore point with the Russians who alleged that insistence on more liberalized access to Soviet citizens by Westerners and the implied greater freedom for Russians to make contact with the West was an interference in the internal affairs of the Soviet Union and its Eastern European Communist satellites.

The Kremlin told Kreisky they wanted the subject dropped and they urged him to approve a quick end to the security conference. Kreisky, however, said the Soviet proposal would make a mockery of the conference and would amount to an insult to the Western powers who believe strongly that Moscow must end its repressive ways.

I include highlights of the Baltimore Sun account at this point in the RECORD:

## AUSTRIA OPPOSES SOVIET BID

(By Michael Parks)

Austria's chancellor told Soviet leaders yesterday that his country will oppose Moscow's efforts to push the European security conference to a quick conclusion unless the Kremlin agrees to freer East-West cultural and human contacts.

Chancellor Bruno Kreisky also said that Austria opposes holding the conference's final session at the summit level because of recent changes in several West European governments and 'another uncertainty in international affairs,' referring to the possible impeachment of President Nixon.

Mr. Kreisky's meeting yesterday with Soviet Premier Alexei N. Kosygin and President Nikolai V. Podgorny were described by informed diplomatic sources as 'very acrimonious' at times, and Soviet leaders were reported to be surprised by the Austrian chancellor's strong stand.

Premier Kosygin pushed Mr. Kreisky hard to sign a joint declaration calling for a speedy end to the conference and rejecting demands for freer contacts as interference in the internal affairs of European states, according to the diplomats.

Mr. Kreisky refused, arguing that such an approach would make a complete mockery of the security conference and that it was an insult to all the Western nations supporting improved human and cultural contacts as a key element in detente.

Austria's refusal to join the bandwagon Moscow had hoped to assemble to speed the conclusion of the conference, now 10 months into its second stage in Geneva, was viewed by diplomats here as a serious setback to the Kremlin's efforts to end the de-

bate over relaxation of barriers to increased cultural and human contacts—probably the most controversial issue of the conference.

## CRIME AND CHEMICAL ABNORMALITY

(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, as chairman of the House Crime Committee I was especially interested in the data presented to us indicating that some aspects of criminal behavior may be the result of physical abnormalities which dispose a person, often at a very young age, to crime.

Recently Sheriff Arnold B. Ladd of Morris County, N.J., brought to my attention the results of some blood tests conducted among the inmates under his jurisdiction. I would like to share the brief summary of these results which are described in the following news release from Sheriff Ladd's office:

The results of inmate blood tests done last year showed that inmates have abnormally low levels of the polyamine spermidine. This was an unexpected, unpredicted finding and the possibility remained that the results could have been due to chance. Inmates also had histamine (another polyamine) blood level ranges approaching those of schizophrenics. In addition, tests showed impaired liver function, probably due to drug and alcohol abuse accompanied by poor diet.

After great difficulties we obtained special permission from Washington to repeat these blood studies. Again the spermidine levels came out abnormally low, with less than one chance in a thousand that this finding is due to chance.

Spermine (another polyamine) levels were low, as predicted, with less than five chances in a hundred that this finding is accidental. Histamine levels averaged higher than last reading but continued to have the broad spread reported in schizophrenics. Liver function tests still showed impairment.

There is no doubt that our inmates have odd levels of polyamines as compared to the normal readings given us by the Brain Bio Center in Princeton. There is also good evidence that polyamines may be important to brain function and to behavior. On this testing spermidine did not appear related to the personality trait extraversion, as it appeared in the previous testing.

According to the Brain Bio Center, a low level of spermine is an indication of low blood sugar (relative hypoglycemia). We have other indications that many of our inmates suffer from some degree of low blood sugar and have been educated about this. Low blood sugar can precipitate anti-social or criminal behavior.

Because polyamines may influence brain function and behavior, it is very important that some medical schools and/or pharmaceutical companies take up this research.

## THE ROLE AND MINISTRY OF THE CHURCH TODAY

(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 May 26 in Miami Hon. Richard A. Pettigrew, State senator from Dade County and formerly speaker of the Florida House of Representatives, at the 25th anniversary of the Episcopal Church of the Incarna-

tion of Miami, delivered a very significant and understanding address of the role of the church and ministry in present day society.

At a time when the moral tone of the country appears to be so much lowered and respect for spiritual values seems to be so much diminished it is well to have an important political leader speak out on a spiritual subject. I, therefore, commend to my colleagues and to all who read this RECORD Senator Pettigrew's able address and ask, Mr. Speaker, that it appear in the RECORD immediately following these remarks:

## THE ROLE OF THE CHURCH AND MINISTRY IN PRESENT DAY SOCIETY

You have asked me to speak about "The Role of the Church and Ministry in Present Day Society." This is a rather big subject to deal with in a short time, but I agree with you it is absolutely necessary that we see clearly what we and the church must be about.

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First let me point out that we must recover the meaning of great words and of basic Christian ideals. The Church must proclaim and live and demonstrate what the real values of life are.

(a) Today science is giving us a marvelous world of synthetics which are fine in the material aspects of life, but there can be no synthetics and no substitutes in the spiritual life. God is God—He is the Real Thing and the church is here to put men and women and young people in contact with reality.

(b) Think of how we water down and misuse great spiritual words for advertising and commercial purposes. As someone has said: "God help us! We live in a world in which hero is a sandwich, in which Life is a magazine, in which Gusto is a drink, in which Power is a candy bar, in which Joy is a detergent, in which My Sin is a perfume, in which a Star is an actress three times divorced, in which the Real Thing is a Coke."

(c) Many people are deceived and manipulated by the tinsel and the baubles, by the neon advertising of cheap things, by fads and fashions and by high-powered technicolor publicity.

Therefore, we must get back to basic spiritual foundations. "God is a Spirit and they that worship Him must worship Him in Spirit and in Truth." "It is in Him we live and move and have our being." "Man can not live by bread or bombs or headlines or machines or technology alone."

II

The Church must be concerned with the whole person in the total framework in which he lives, the way he earns his living, the way he spends his money and his leisure time, the way he tries to satisfy his physical and spiritual hungers, how he can be saved from his sins, his mistakes, his follies, how he acts as a citizen—and that means how he acts politically.

"Politico" simply means "citizen." Political things deal with citizens, with people—and that means you and me. Jesus Christ lived and dealt with real people and with their fundamental needs. Think of His basic statement of His ministry when He stood up in the synagogue in Nazareth and read these words (Luke 4: 18-19) "The Spirit of the Lord is upon me, because he has anointed me to preach good news to the poor. He has sent me to proclaim release to the captives and recovering of sight to the blind, to set at liberty those who are oppressed, to proclaim the acceptable year of the Lord."

Surely we as His followers today must deal with the needs of God's children everywhere. We must be concerned with the needs of blacks in ghettos or blacks in South Africa, with the browns in Miami or New York or

London, with the yellow in Vietnam, or the whites in Appalachia.

The church in its ministry must work to enhance the rights, the dignity, and the worth of persons as persons, because they are God's children. This means:

To work for equal rights for all people;  
To minister to human needs regardless of race, color or creed;

To work for racial and economic justice;  
To take a stand for women's rights;

To battle overpopulation by working for family planning and "responsible parenthood" as our Catholic friends call it; and

To right wrongs and to fight every evil that degrades and destroys human beings.

## III

To do this we must work constantly and persistently as St. Paul says "In season and out of season"—not by fits and starts or just when it suits our time or our convenience.

During the worst time of the gasoline shortage this winter, this sign appeared on a church bulletin board in a large city: "This Service Station open every Sunday."

That is true, but it doesn't go far enough, does it? The church is God's Service Station, and it must be open every day in its witness, in its ministry, in its service, in its fight against the evils that weaken and destroy human life. I don't mean just the church building being open, I mean we as Christians being on the job wherever we are every day in our Christian service.

## IV

I am sure you will agree with me that what our nation needs most right now is a rebirth of integrity. We need to create a new moral atmosphere in which we realize that the social cement that can hold our individual lives and our social structures together are the Ten Commandments of the Old Testament and the Sermon on the Mount of the New Testament, particularly the Golden Rule taught by Jesus Christ.

To these great guides from the past we can add two simple but very practical tests. The test of Publicity—would I be willing to see the story of what I plan to do on the front page of the Miami Herald or the Miami News; and the test of Universality—would I be willing to have everyone else do what I intend to do?

## V

The church must be the Body of Christ. Nobody else will be His body if we fail or falter.

We must be His healing hands.

We must be His prophetic voice.

We must be His loving and compassionate heart.

We must express His righteous indignation and fight His battles against those who would betray and demean human beings for greed and profit.

## CONCLUSION

This is a great time for the Christian church and for us as Christians. This is not time for weakness or cowardice or defeatism. In a time of turmoil and change and uncertainty the church can and must speak out loud and clear.

1. Things need to be changed. Wrongs must be righted, evils must be overcome, justice must replace injustice.

2. We as Christians are called to change them. We can change people for God and for good. We can change our political and our economic systems for God and for good. We can change social customs and social structures for God and for good.

3. We can not do it alone but we can do it together by God's grace and with His help. Let us never forget St. Paul's great words of faith and courage: "I can do all things through Christ who strengthens me."

"I'd like to think, when life is done  
That I had filled a needed post,  
That here and there I'd paid my fare

With more than idle talk and boast;  
That I had taken gifts divine,  
The breath of life and manhood fine,  
And tried to use them now and then  
In the service of my fellow men.

"I'd hate to think, when life is through,  
That I had lived my round of years  
A useless kind that leaves behind  
No record in this vale of tears;  
That I had wasted all my days  
By living only selfish ways,  
And that this world would be the same  
If it had never known my name.

"I'd like to think, when life is done,  
That here and there shall remain  
A happier spot that might have not  
Existed had I toiled for gain;  
That someone's cheery voice and smile  
Would prove that I had been worth while,  
That I had paid with something fine,  
My debt to God for life divine."

## ECONOMIC PROBLEMS AND POLICIES

(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, one of the outstanding economists of this country for a long time has been Hon. Robert R. Nathan who has held many positions of great importance in government and in the private, industrial, and business sphere. It is particularly valuable to the Members of Congress, therefore, I believe, to have an opportunity to acquaint themselves with a recent address delivered by Mr. Nathan on the subject of "Economic Problems and Policies." At a time when the Nation is so much afflicted by inflation, high interest rates, shortages of critical materials and other disruptions of our economy we need the wisest counsel we can get to know what can be done to correct the very serious situation we face in our economy today. One of our wisest counselors in the field of economics is Mr. Nathan. I, include Mr. Nathan's able address in the RECORD following my remarks:

## ECONOMIC PROBLEMS AND POLICIES

The economic policies of the Nixon Administration have been the worst this country has experienced in the past half century. At least the Hoover performance can in part be excused because they lacked facts and didn't know better. Now, we observe a failure compounded of callous irresponsibility and duplicity.

Not only have the Nixon economic failures brought costly immediate wastes and hardships, but more serious has been the undermining of confidence in our economic goals and in the tools needed to improve economic performance. The crisis in the integrity of our political process flowing from Watergate is now paralleled by the crisis in our economic policies and programs.

We are in the midst of the second Nixon recession without having come anywhere near full recovery from the 1970 recession. In fact, five of the six post-World War II recessions occurred while Nixon was President or Vice President. Rare combinations of unemployment, rampant inflation and shortages have somehow been imposed upon the nation. If as the President's chief economic adviser stated "the people deserve" this situation, then the deserving arises out of allowing such bankrupt and dismal performance to persist.

We are suffering from the worst peacetime inflation in American history and the

probabilities are high that even worse inflation lies ahead. Instead of seeking answers and offering constructive policies, the irresponsible economic leaders of the Nixon Administration behave as though they never had anything to do with the mess the country is in.

We have the highest interest rates in a century and the end is not yet in sight. The worsening inflation will bring further increases in bond and mortgage charges. We follow a tight money policy which has practically no chance of alleviating the inflation unless it turns the recession into a serious depression and that is a price this nation will not and should not endure.

We have had two devaluations of the dollar and several revaluations of other currencies, largely because the mishandling of the economy by the Administration has weakened the dollar so that it is no longer a currency in which governments have confidence.

Payroll taxes and state and local sales and property taxes have skyrocketed while Federal income taxes have been reduced so that the tax bite on the well-to-do has been eased and the incidence of taxation has fallen increasingly heavily on lower income groups. Simultaneously, there has been total failure to adopt new income maintenance schemes and programs or to adjust existing measures to alleviate the burdens of inflation and recessions on those least able to bear these burdens.

Suffering from these failures is bad enough. Insult has been added to injury because the public has simultaneously been fed dosages of economic falsehoods, fraudulent interpretations and trumped-up promises of future improvements. These activities closely parallel the political behaviors associated with the word "Watergate." In effect we have been experiencing "Watergate Economics" in which miserable performances are covered up by glossing over every failure, by exaggerating every slight improvement, by constant misrepresentations of every policy decision and action (or inaction), by shifting blame from those in authority, and endlessly being told that things will be much better next month, next quarter or next year.

Clearly, the Watergate mentality has not been confined to political opportunists. We have never had less economic frankness and truth from persons in responsible positions who really know better but who have been contaminated by and, in turn, have contributed to the Watergate atmosphere.

Of all the situations now encountered by the country rampant inflation is least likely to be solved by this Administration. Not only is the inflation itself imposing terrible hardships on many groups in our population, but it is making it exceedingly difficult to formulate and to adopt constructive economic policies designed to get this country back onto a healthy growth pattern with high levels of employment, with rational and efficient allocation and use of our resources, with moderate interest rates, with appropriate incentives for risk takers to modernize and expand our productive facilities, with proper protection of our environment and our wasting resources, with international trade and monetary arrangements that facilitate economic development in all countries, and with income maintenance measures that assure every American citizen an opportunity to share in reasonable degree in this nation's abundance.

The Nixon Administration denies that it is seeking to fight inflation through traditional recession policies. Yet that is the only path that is being pursued and it isn't going to break the inflation spiral. The only way inflation could be brought under control through this costly process is to have unemployment of 10 or 12 percent persist at least a couple of years. That is what in essence the George Shultz's and Herbert Stein's "let

nature take its course" schools of thought really believe in. They have not quite used Herbert Hoover's expression that "prosperity is just around the corner" but that is their approach, namely, to wait it out and somehow we will have recovery and price stability. The excuses for failure will be that we have not been willing to accept a deep enough and long enough depression to be cured.

Now there has come forth a brave and warmed-over proposal of learning how to live with inflation by putting escalator clauses on every cost and income so that presumably the inability of each person and each corporation to cope with inflation is somehow alleviated. The new term for this irresponsibility is "indexing." What in effect we are having is again the admission of total bankruptcy of ideas among classical economists who before World War II resigned themselves to the inevitability of deep and recurring depressions. Now they are admitting failure to stop inflation and instead offer a complicated set of adjustments which will not work except possibly under some kind of economic totalitarianism. It is a sad day when it is suggested seriously that we use Brazil's anti-inflation experience as a model for the United States.

The chances are that inflation is going to get worse and worse until direct controls are authorized and exercised with integrity, with conviction, and with some flexibility to unwind the economic spiral that is trampling the American economy and bringing untold hardship on tens of millions of Americans who cannot cope with this inflation disease.

We need direct controls and we need them administered fairly and firmly and we probably will need them for at least a couple of years to break this spiral.

Not only did the Nixon Administration administer controls unfairly so that the burden fell most heavily on labor, but it also fulfilled its designed purpose of proving, by bad administration, that controls are not desirable. Under some circumstances controls are not only desirable but necessary for limited periods of time. It is a great tragedy that the Nixon Administration undermined this whole mechanism and weakened it to a point where many who understood the need for controls now have been sold the idea that controls won't work. True, they won't work under the subversive tactics of the Nixon Administration.

Labor is against the extension of controls because wages were held down while most prices rose. Labor's restraints were admirable but labor paid a price for its cooperation. The workers suffered drops in real income when the controls on prices were weakened. Many of the conservative economists really believed that the old measures needed to restore price stability were those designed to hold down wages. Their sales pitch was that prices would behave if wages were restrained. It hasn't worked that way. It is therefore understandable that labor has opposed the extension of authority on price and wage controls. But it is regrettable for the country.

The time has come for some new approaches to restore price stability or the war against inflation will be totally lost. One suggestion is the establishment of a Select Committee of the Congress, made up of Senators and Representatives, to review constantly developments in the field of inflation and to publicize good and bad policies and practices and focus the spotlight on changes in prices and costs which are excessive and which contribute to inflation. This kind of focus on price and cost practices might be helpful until more potent steps can be taken.

Congress should write a new law authorizing controls and setting forth very specific goals and objectives as well as definitive principles and guidelines which will not permit the Administration to sabotage the will of the Congress and the needs of the Ameri-

can people and which would assure fair and equitable treatment among different economic groups and sectors.

We need to restore full employment. In fact, we never had full recovery from the first Nixon recession. When the second recession began late in 1973 unemployment had not fallen below 4.6 percent from the 1970 recession level of more than 6 percent. This recession has brought the expected lower efficiency and lower productivity which in turn contributes to higher unit costs. What we urgently need is higher employment and higher production and greater productivity along with price stabilization policies. Higher employment and production can be a positive factor in the war against inflation as well as contribute to the nation's well-being.

The economy needs to be stimulated. There is much talk about tax reductions. Certainly a lowering of taxes will stimulate economic activity because it will leave more money in the hands of consumers and business which, in turn, will create more demand and encourage more production. Another alternative is to increase essential expenditures. We have desperate unmet needs in our society. To the extent that these needs can be more fully met with reasonable speed they should be given priority as a stimulant to renewed growth, both from the social and the economic points of view. We need to bolster our mass transit so as to help fight the energy shortage and reduce our reliance on imported oil. This will contribute also to improving our environment. The government could spend lots of money buying more buses for mass transit and this would also contribute to increased jobs in the motor vehicle industry.

Coal must be used in fuller measure to contribute toward energy independence for the United States. To achieve that, far more rail transportation capacity will be needed. Here, too, government expenditures can contribute greatly both to the national energy goals and to rising economic activity. We need far more urban redevelopment, especially when energy problems will tend to inhibit living far away from jobs and commuting long distances. Here also there are vast public programs that could be and should be initiated promptly where both economic expansion and social needs would be served.

To the extent that increased essential expenditures cannot be undertaken in adequate measure to increase employment and production quickly and effectively, temporary tax cuts should be adopted that would especially relieve sales and property and payroll tax burdens of inflation-scarred lower income groups. These tax cuts should be confined to reducing the payroll tax and to supporting the proposal of Senator Mondale to allow the choice of either tax credits or deductions in determining Federal income tax payments.

In the energy field it is time to quit playing politics with alternate warnings of continuing shortages and political announcements that the crisis is over. Efforts to spread the gospel that the Nixon Administration has solved our energy problems are a great disservice to this nation. Shortages in traditional sources of energy are going to get worse in the years to come. We have already wasted too many precious years in relying increasingly on imports and failing to take the hard measures that will be needed to achieve energy independence for America. New policies and measures should provide reasonable incentives for experimentation and technological developments and for the efficient exploration and exploitation of new energy resources. At the same time we must not permit huge windfalls to accrue to oil companies and others benefitting unduly from the energy crisis.

There are endless other high priority policies which under the paralysis of the Nixon Administration have been neglected for too long. The well-being of the farmers

is of national concern but the combination of threatened famine in many parts of the world coupled with skyrocketing prices of American agricultural products indicates a lack of planning and compassion in dealing with our agricultural problems. We need planning to get the utmost production from our vast and rich farmlands but we also need to have trade and price and food reserve policies which will not bounce around like yo-yos and bring recurring gluts and famine.

We need not sacrifice the environment in order to produce more fully to meet the wants and needs of our people. Environmental standards should not be abandoned. Also, we can and must pursue conservation measures that will protect the interests of our posterity as well as fulfill our immediate needs.

Our health services are inadequate and too costly to be available for all our citizens.

In essence, what this country needs is intelligent planning. We need planning that is not designed to regiment or subject our economy to rigid controls. Rather we need planning to establish goals and objectives along with appropriate implementing policies and procedures that will allow us to enjoy high levels of employment and production, price stability, rising living standards, a safe environment, and a quality of life which is within our resource capabilities. We can grow soundly if we concern ourselves with what we produce, how we produce it and how we distribute what we produce. Just as we need not resign ourselves to inflation and all of its enervating effects, we need not forego growth and high levels of employment and a more abundant as well as a higher quality of life.

#### LEAKY JUDICIARY COMMITTEE NEEDS PLUMBERS

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, a Chicago Tribune columnist, Bob Wiedrich, wrote a telling article which was published June 9 and it deserves the attention of all of us who will ultimately be called upon to make a judgment.

Mr. Wiedrich suggests all of us in the Congress should—

Play this one straight, like it was for real and you were all statesmen. If Nixon's done wrong, impeach him. But give the man a fair shake. Someday the shoe might be on the other foot.

[From the Chicago Tribune, June 9, 1974]

(By Bob Wiedrich)

#### SOMEDAY THE SHOE MAY BE ON OTHER FOOT

On two successive days last week, House Judiciary Committee members admitted they could find nothing to tie President Nixon personally to two alleged major administration scandals.

These involved repeated charges his order to drop an anti-trust action against the International Telephone & Telegraph Co. was tied to a \$400,000 pledge for the 1972 Republican National Convention and that milk price supports had been hiked in exchange for a promise of \$2 million from the dairy industry.

In each case, committee members—for the most part anonymously—conceded they had heard nothing on White House tapes to implicate Nixon in wrongdoing. These conclusions were dutifully reported to the American public, just as have been the multitude of other leaks from the supposedly secret sessions of the committee that will decide whether or not to recommend Nixon's impeachment by the House.

In essence, this was the first material favorable to Nixon's cause to trickle from the sieve the committee had become since the start of its inquiry. Until then, Nixon was getting murdered almost daily, mostly by nameless and faceless accusers who didn't want to be fingered as tattletales violating the committee's rule of secrecy.

Yet, it was almost incumbent upon them to do so since these allegations—now admittedly false—had been pounded into the American conscience for nearly two years, adding to the crescendo for impeachment or resignation by the President.

The I.T.T. and milk price cases had become issues in Sen. George McGovern's 1972 campaign. And some of Nixon's adversaries had really gone for Nixon's throat on these issues because they considered them evidence of plain and simple bribery at the highest level of government. However, after listening to the tapes, even some of Nixon's harshest critics had to admit Nixon had spoken truthfully when he declared that the order to drop the I.T.T. antitrust action was based on policy reasons rather than convention fund pledges.

Regardless, the damage was done. Nixon's clean bill of health in these instances could not get the blaring display the charges had received for days on end in the early stages of Watergate. For within hours, it was lost in a welter of other leaks from the Judiciary Committee and other sources back at their favorite game of hit and run and hide.

Even the allegedly inviolate secrecy of the Watergate federal grand jury was breached, as it had been a number of times before. Wham! Came the headlines that Nixon had been considered for a berth as an unindicted coconspirator in Watergate coverup deliberations earlier this year! Disregard the fact Nixon's name was never included in the indictment when it was returned March 1.

The enterprising reporters who pried that one loose claimed their sources were "close to the defense." They said the action had been disclosed at a "closed door" meeting of Federal Judge John J. Sirica, defense lawyers, and Special Prosecutor Leon Jaworski. Obviously, the blabbermouth must have been among those present in Sirica's chambers. Or perhaps it was a grand jury who figured enough time had passed to avoid an accusing finger.

For as any lawyer will tell you, the deliberations of a grand jury are not recorded. Under the rule of secrecy, the court reporter is required to leave the grand jury room.

Thus, Nixon was again kicked in the back under circumstances that ordinarily would have caused a federal judge to turn livid and order an investigation with contempt of court in mind. But forget the rules against prejudicial conduct. This was open season. The blood was on the moon. And the hounds were baying in.

Whammo! Out came the tale from the Judiciary Committee that Nixon and Secretary of State Henry Kissinger were deeply and personally involved in wiretapping and "spying" on White House workers and reporters. In this case, even the secret documents furnished the committee were leaked. And again, it was done in a fashion obviously designed to discredit Nixon by turning supposedly sober congressional deliberation into a sleazy public relations war.

To hell with the fact some wiretaps were ordered because the New York Times printed the United States' secret negotiating position in the crucial Strategic Arms Limitation Talks in 1971. Nixon's drawers were dragging. So bite 'em, bit 'em, bite 'em!

For God's sake, congressmen. Play this one straight, like it was for real and you were all statesmen. If Nixon's done wrong, impeach him. But give the man a fair shake. Someday the shoe might be on the other foot.

#### DR. WINFIELD W. RIEFLER: THE ECONOMIST—THE MAN

(Mr. BROWN of Michigan asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of Michigan. Mr. Speaker memorial services were held for the late Dr. Winfield W. Riefler at the Cosmos Club here in Washington on May 7, 1974. The holding of the services is attributable to the thoughtfulness of Mr. Ralph A. Young, a former close friend and associate of Dr. Riefler, and was in recognition of the important service rendered to the Federal Government as a financial economist and adviser by Dr. Riefler.

In view of the relationship between Dr. Riefler and those who participated, it could be suggested that the opinions expressed during these memorial services were biased; however, I believe any fair examination of the Riefler record will establish the validity of the proposition that his contributions to the Federal Government and all Americans placed him a notch above most who functioned and performed in a similar capacity.

In order that my colleagues may have the advantage of the remarks expressed by the participants in these memorial services, I am including a transcript of them at the end of these prefatory remarks. However, as a sort of synopsis, I would like to mention that during the 1930's Win was secretary of, and adviser to, President Roosevelt's National Executive Committee on measures for economic recovery; first chairman of the Government's then newly established Central Statistical Board; and, finally, adviser to the Department of the Treasury on its fund to stabilize the dollar internationally. Some have characterized Win as the first more or less specifically designated economic adviser to a President; while others have noted that he was one of the original brain trusters in the economic area to President Roosevelt; and, still others remember him as the "father of FHA."

During World War II, he was the U.S. Economic Minister to the British Government in London where he functioned in the capacity of director of the allied governments' efforts in economic warfare. From 1948 to 1959 he served as assistant to the Chairman of the Federal Reserve Board under Chairman McCabe and Chairman Martin, and during the period 1952 to 1959 he was Secretary of the Federal Open Market Committee.

Although obviously Win and I were of different partisan persuasions, my many conversations with him during the time I resided in his home while attending law school at the George Washington University caused me to conclude that we had similar goals and objectives even though we might not have been in agreement with respect to the means and mechanisms which could be best utilized to accomplish such goals and objectives. In all such conversations, I never had any occasion to question Win Riefler's dedication and commitment to decision-making in the public interest.

The remarks of those participating in the memorial services follow:

MEMORIAL SERVICE: WINFIELD W. RIEFLER, FEBRUARY 9, 1897—APRIL 5, 1974

REMARKS BY RALPH A. YOUNG

As long time friends of Winfield Riefler we gather today with his wife and two sons, David and Donald, to pay homage to a life richly lived. That life we all know was consistently zestful, varied in its intellectual and artistic interests, and unselfish toward his family, professional associates, and the community at large.

As an economist, Riefler was a man of high competence, restless energy, and determination. He entered the profession in a transitional period that demanded intimate familiarity with the doctrines handed down from predecessors. Much of this received wisdom Win Riefler found acceptable but only on a level of generality that made him dissatisfied and restive as it did others of his contemporaries.

The challenge to the younger members of the profession, therefore, was to acquire comprehensive and detailed empirical knowledge of economic institutions and markets. Such knowledge would serve as a foundation for modernizing the body of economic doctrine. It was up to the new generation to see that the needed knowledge was rapidly accumulated and to devise new methods for accumulating. Specialization was called for. In Win's case the area of special interest was money, banking, and financial institutions. He applied himself diligently to this area and during the 1920's had two major achievements to his credit. The first was a pioneering study, *Money Rates and Money Markets*, published in 1930; the second, an important new quantitative series that reduced monetary factors determining the demand for credit at Reserve Banks to precise quantitative terms.

Not satisfied with this professional record, Riefler's imagination reached out into the central problem of the modern economy: How can a technological society achieve a more stable, orderly, and equitable performance than heretofore? The economic catastrophe of the 1930's raised compelling questions that had to find answers despite the absence of adequate knowledge. About this time a call to coordinate the Federal statistical service opened up an opportunity to reshape and extend the Federal Government's statistical program to better meet modern informational needs. But before this task could be accomplished, Win's energies were completely absorbed in devising remedies for faults in the financial system which the economic collapse had disclosed.

Win's experience up to this time prepared him for a broader role in advancing economic research for which he had a rare talent, in centralizing a broad design for desirable research, and in breaking it down into manageable parts for analysis. Exciting the interests of some younger economists by persuasive presentation of the possibility, often soliciting or arranging the necessary funding, and making full use of his own wide experience.

My first contact with Riefler came in 1929 when I was spending a year at the Department of Commerce. The elder statesman, David Friday, told me that Riefler was the ablest and most imaginative economist in Washington, and urged me to meet him and seek his views on my developing research interests. I acted promptly and found myself engaged in a very exciting conversation. I was fascinated. The imprint he left on my mind was deep and permanent. Eight years later he visited me at the University of Pennsylvania to engage my interests in an exploratory survey of research and finance under the auspices of the National Bureau of Economic Research. I jumped at the opportunity and there began a personal and collaborative relationship that was broken only by the war years and lasted until his retirement in 1959.

There are others who want to memorialize Win Riefler this morning, each from his particular relationship. First of these is Donald Riefler who will offer his views of Win as a man and a father. The other participants need no introduction and will follow one another in accordance with the listing of the program.

## REMARKS BY DONALD B. RIEFLER

Win was a great guy and it was lucky for me to be his son, but it's difficult today to express easily what I felt about him, so I thought I'd mention a few incidents that took place between us during our lives because they are meaningful to me and I think they might be indicative of the kind of father that he was. I'll start early.

In about the third grade, reports came home from school that I was having an extremely difficult time learning how to read, and Win decided this was something he would take in hand personally. He always loved games and decided to devise a game that would solve this problem. So we got the book out and in the back were series of words listed in groups of ten and he told me that I could study the book as long as I wanted to and for each ten that I could get right without an error he would give me a dime. For each one I got wrong I had to pay him a penny and of course didn't get the dime for getting the ten right. Well, he knew me well too, I guess, and it didn't take long before I learned how to read and was making a lot of money from him.

A little later on, one characteristic that both David and I had as children that Win was not necessarily particularly pleased about was the fact that we had a reputation of being somewhat mischievous, but he had different ways of handling this too. I recall one day that in the winter we were living in Princeton and David and I were outside on the other side of the road with some snowballs and we were throwing snowballs at cars that were driving by, and we both let fly and suddenly realized simultaneously that the car that just drove by was a policeman's. As the snowballs crashed into the car, David took off like a shot. The policeman jammed on the brakes and I was petrified and couldn't move. He came storming out of the car and I wasn't sure what he was going to do to me. About this time, Win apparently had been watching out of the window, and he saw this activity going on. He came striding out of the door with a grim look on his face, and marched across the street and grabbed me by the arm and he said "Officer, I'll take care of this." At that stage of the game he led me back into the house, and I was still wondering what was going to happen to me next. After he got me in the house he walked back to the library and I could just see the side of his face and see just a little grin coming across his face. He knew I had learned that lesson very well. Nothing more need be said.

Toward the end when we were down in Florida, Win got very reminiscent, and he would recall his life, and we were conversing one day about the early days of the New Deal. Win, of course, had been with the Federal Reserve at that time and was asked to join the New Deal as economic adviser. When he did it, a lot of his friends at the Federal Reserve and a lot of his friends on Wall Street thought that this was a great mistake—that the New Deal was doing many things that were not considered reasonable and why should Win associate himself with this kind of a crowd. Win said he never understood that attitude at all, that he felt this was a marvelous opportunity. All sorts of new ideas were being proposed in the New Deal, some good and some bad. And it was an opportunity to get in there and work like hell for the good ideas and reject the bad ones.

And that was Win's message, he always believed in being involved and working like hell for the good ideas.

## REMARKS BY MILES L. COLEAN

I feel rather inadequate to this assignment because there are others in this audience, and some who could not be here, who could recite this experience more aptly and more comfortable than I can. So by default I will tell my experience with Win in the early days of the New Deal.

I had read about Win and his proposal for a mortgage insurance plan back in Chicago before I came to Washington for five days in the spring of 1934, and by a set of curious chances, found myself among the group that was working on the legislation and establishment of an organization of what became the Federal Housing Administration. The origin of that idea came in the National Security Council to which Win was an adviser; and I think it is safe to say that Win was the first official economic adviser that the Federal Government had ever had. Marriner Eccles was closely associated with the enterprise, which was to find some stimulating force that would not require Government expenditure. That may sound anomalous coming from President Roosevelt, but it was his intent that something of this sort should be found. Marriner Eccles was enthusiastic about and promoted it and Win developed the idea. The concept was built upon failure—the failure of the old mortgage guaranty companies of the 30's and 20's—but Win, with his keen mind, as Ralph has described, analyzed what the faults had been and prescribed remedies that created a unique social experiment, and a unique institution, that in spite of all the difficulties and erosion that was encountered over the last 40 years still persists and still is capable of doing the job that Win had in mind.

The idea was an organization based on the pooled risk principle but with the risks shared among the insuring agency, the borrower, and the lender, the whole self-supporting. It was a unique idea and it was a great success. Within less than 20 years it had built up reserves capable of withstanding a depression such as the mortgage industry had suffered in the 30's, and it paid back the Government all that it had advanced to get the organization started, plus interest—a masterful achievement in every way.

But Win's achievements went way beyond his ability to invent social institutions. He was a man of warm friendship. I appreciated his advice at every stage in the years that I was with FHA, and profited by his comments on many occasions. I sought him out at Princeton and at Hillside in New York and I worked with him on the financial research project that Ralph helped so nobly to organize.

I would like to just mention one personal anecdote that my wife put me in mind of as we came in. Win was loved by children as well as older people and our small daughter was a particular favorite. I came home one night from work to find her walking back and forth in front of our house with a placard hung on her neck. I asked her what it was about and she said she was a picket and that pickets didn't talk. I read the placard which said "This place unfair making me go to bed at eight o'clock. If no change will go to live with Win Riefler."

## REMARKS BY ERIC H. BIDDLE

My thoughts of Win Riefler that I'll share with you this morning, take me back. The place was the old State War and Navy Building at 17th and Pennsylvania Avenue, now known as the EOP. The time was late summer in 1942. By pure chance I ran into Win Riefler in the halls and having just arrived from London, congratulated him on his appointment which had just been announced as Minister for Economic Warfare at the Embassy in London. He reported that he was leaving for London the following morning to take up his new post. On the spur of the moment, without any prior thought, I invited

him to share my flat at 40 Berkeley Square in London, where he had actually visited me only a few weeks before when he was on a reconnaissance trip prior to taking up his appointment. He accepted promptly.

Our shared living arrangement began then and continued for the whole of the two years that Win was in his London appointment. London in those days was the base of all U.S. Allied and Economic operations in Europe including Eisenhower's headquarters prior to his North African landings, and later SHAEF up until well after D-Day. Economic warfare was a very special case. As many of you know, economic warfare in World War II was concerned with denial to the enemy, worldwide, of critical materials, such matters, that is, as pre-emptive buying of critical materials, of operation and maintenance of the blockade. Selection of bombing targets and others were within the purview of economic warfare as then understood.

Win brought to this assignment his abundant economic wisdom, his rare analytical capacity, his profound politico-economic insight, and with it all his special capacity for developing and maintaining trusted and trusting close relationships with his U.S. and Allied opposite numbers.

There are others here today—we've heard two or three of them—who will talk about Win's superior intellect, his great capacities and accomplishments. Because of experiencing as we did such a close personal relationship in sharing the altogether indefinable aura of wartime London, I prefer to focus for a moment on some of the human qualities of this very exceptional man as revealed to me during that time of stress.

In this two-year period of constant daily contact one could not help but be aware of and be influenced by Win's warmth, his equable disposition, and his penetrating mind. But I was constantly aware for the entire period of two sources of deep distress. One was the natural distress resulting from separation from Dorothy and the family. As to the second, one sensed a muted, almost entirely misspoken, awareness to Win's deep concern with what he knew to be the inescapably sad consequences of the practical application of economic warfare measures, such as the deprivation resulting from the denial of food and medical supplies for beleaguered people.

In my assessment Win's truly remarkable accomplishments during that period are enhanced by recognition of this heavy, hidden toll that I knew he was paying then. And I think perhaps that an appreciation of that toll today may bring into even clearer perspective the quality of this wise and sensitive man, Win Riefler.

## REMARKS BY THOMAS McCABE

I know Win would have loved to be here today among his old friends, just as I have enjoyed it because I've seen people I haven't seen for 23 or 24 years.

My friendship with Win Riefler began in 1941, when he was appointed a Class C Director of the Federal Reserve Bank in Philadelphia, and I was Chairman. Subsequently, I met Win during World War II in Washington, where we both were serving, and in London, where he was special economic minister.

When I was appointed Chairman of the Board of Governors of the Federal Reserve System in 1948, I thought immediately of Win as Assistant to the Chairman. I knew of no one else in the country with his competence as an economist, especially in the areas of money and banking. He was then at the School for Advanced Study at Princeton, but after much persuasion he agreed to come to the Federal Reserve. Allan Sproul, former President of the New York Federal Reserve Bank and one of the ablest men in banking, wrote me only recently that Win was one of his oldest friends and one of

the most remarkable men who found a career in the System.

The Federal Reserve has experienced many stormy periods in its history, but the years 1949-51 were undoubtedly among the stormiest. The major issue was the Federal Reserve's struggle to regain its statutory independence, especially in its government bond open market operations, against the strong opposition of the Secretary of the Treasury, who was supported by the President. After a long period of travail, we appointed Win in early 1951 and urged the Treasury to appoint Bill Martin to negotiate the basic differences between us and to continue their efforts until they had reached a mutually satisfactory agreement.

At the time I used the expression of putting them in a room together, locking the doors, and keeping the key until they were ready to come out. I might say the Treasury accepted this suggestion with some reluctance because they wanted to start at a lower staff level. These two wonderful men did finally agree, and they came out after a few days—and only a few days—with an agreement which we now refer to as "The Accord", which I think is one of the most outstanding documents and achievements in Federal Reserve history.

Bill Martin and especially Win Riefler, as architects of the Accord, have never been given full credit for their magnificent achievement. If they had not accomplished what they did, the Federal Reserve would be in a very feeble position to combat inflation—the inflation which we had then as well as the inflation in which we are now.

It was fortunate for the country that President Truman appointed Bill Martin to succeed me as Chairman. He and Win, working harmoniously together, established a new high record of excellence in Federal Reserve performance.

I never worked with any one who had a keener and more imaginative mind than Win or knew more about the disciplines in which he had been trained. It was a delight to work with him because he was a genuinely friendly person with complete integrity, a wonderful sense of humor, keen zest for life, and a natural humility that endeared him to his colleagues.

My wife and I were happy to visit Win and Dorothy at their Florida home shortly before Win's death. They were a devoted and inseparable couple, and I will always cherish that visit with those dear and long-time friends as a wonderful time of reminiscence about Washington and good talk about current events.

The words of Shelly in memory of his friend John Keats seem appropriate: "He has outsoared the shadow of our night. He is secure, and now can never mourn. A heart grown cold,

A head grown gray in vain.

"He is made one with nature; there is heard His voice in all her music  
He is a presence to be felt and known  
In darkness and in light.  
"He is a portion of that loveliness  
Which once he made more lovely  
And his works do live after him."

REMARKS BY C. RICHARD YOUNGDAHL

My comments about Win will be made from a slightly different perspective than the previous speaker. I was a junior official. I wouldn't even say officer, in the Federal Reserve at the time that I first came to know him. I knew Win Riefler as a friend, humanitarian, and nature lover, economist, central banker, massive intellect and analytical genius. One could go on and on. I knew him best at the Board in the early 50's, and I saw all of these qualities and many more displayed in abundance.

When Win returned to the System shortly before the Korean War, inflation was the number one economic problem. A huge Fed-

eral debt was paralyzing Federal Reserve efforts to curb bank credit and monetary expansion, and the Board had spent a number of fruitless years trying to sell to the country a secondary reserve plan that would have tied up a part of the Federal debt held by the banking system. Win showed a little or no interest in the many variations of these bank reserve plans. He perceived that the problem was far broader; that the Federal debt, when supported in price by the Federal Reserve System, constituted instant liquidity no matter who held it. Since the economy was over-liquid the need was to remove the supports on the Government security market. As we've heard, Win played a key role in this effort and in its ultimate negotiation with the Treasury.

I would like to recall an incident that happened slightly in advance of the time when Win and Chairman Martin got together. It was in the summer of 1950 shortly after the outbreak of the Korean War and just at the time that the Federal Reserve had the temerity to raise the discount rate—I believe it was from 1½ to 1¾ per cent, I forget the exact amount.

Immediately the Treasury rushed out and announced refunding terms that were absolutely completely out of accord with the new level of the discount rate, and Win conceived the strategy at the time that made it possible for the Fed to proceed with its policies. And that strategy was to buy up all the maturing securities, and I believe there were some \$4 billion dollars or more involved, accept the refunding offering which the Treasury was offering, take it all into the Federal Reserve portfolio, and proceed to sell out of the Federal Reserve portfolio at higher interest rates an equivalent amount of other things.

Now the Treasury accomplished its refunding, but it was also put on notice by that action that the Fed was no longer a permanent captive of Treasury requirements. Win had developed the open market equivalent of the pass or run option.

The ultimate development of the Treasury-Federal Reserve accord in early 1951, with Win as a key negotiator, had its seed in this small element of flexibility from Treasury refunding domination that Win was able to devise.

But Win's efforts to remove from the economy the excess liquidity of the Federal debt did not end with the accord. Freedom to stop supporting Treasury security prices did not automatically bring a free market in Government securities. The dealer market itself, long dependent on the Fed for guidance, had to be strengthened and broadened, and this strengthening was slow in developing. A Board study of the market functioning in which Win, again, played a dominant role, revealed a vestigial concern by dealers as to Fed Open Market intentions that kept the market in a crippled and dependent condition.

Win's thesis was that open market activity should be confined to the shortest term sector of the market, that part of the market which is the broadest and the nearest to money itself, and in particular the Treasury bills.

The market would then be free to find its own relationships without fear of Fed intervention to impose a yield structure of the Fed's own choosing. The "bills usually" doctrine was adopted and followed for years. Even though now repealed in form it is still followed largely in substance.

It is hard to imagine what the Government security market and indeed the entire economy would be like today if Win's insights of the early 50's had not so changed the nature of the Fed's Open Market role.

But for me Win was much much more than the brilliant central banker. Win was a kind and considerate person who brought these qualities into every contact with his

associates. In open meetings, small groups, and private discussions, he cared about people as individuals. His towering intellect was never used to overpower but rather to lead and to help a person find the answer himself. I remember with pleasure the many hours I was privileged to spend with him in a small morning group where we looked at the problems of the times. The analytical capacity of the Riefler mind was a marvel to observe.

My wife and I treasure the social times we had with Deezie and Win. We remember the home that they fashioned out of two small houses, imaginatively tying them together with a large high-beamed living room that kept the charm of the old and gave utility to the totality. We remember Win the gardener, Win the grass expert, Win the builder, but most dearly we treasure the memory of Win the friend.

REMARKS BY WM. M'CHESNEY MARTIN, JR.

Both Cynthia and I appreciate this opportunity to be here and pay tribute to Win Riefler. I know he would have enjoyed being here and seeing so many of his good friends and associates. You have heard several comments on how fortunate we all have been to know him and what an inspiration he has been to us all in many ways.

Now obviously there is very little I can add to what the previous speakers have said except on a personal basis. It was my good fortune to work with Win Riefler during the time that Tom McCabe has said was the most difficult time in the Federal Reserve's history—and I won't challenge that, although I'm sure it's had many difficult times and will have many more difficult times. But I give Win Riefler full credit for whatever came out of the Treasury-Federal Reserve accord. He was the keystone, and it was his analytical mind and his tolerance and at the same time his willingness to compromise the important principle which made that accord possible. I had known him very slightly before that time, and as Assistant Secretary of the Treasury was given the authority to enter into those negotiations, and Win was more than responsive but just like rock when it came to the fundamentals.

I think that this is a trait that we all recognize and we admire when it has along with it an ability to be tolerant of other people and tolerant of lesser minds. And I say in no sense of false modesty that Win Riefler's intellect was infinitely superior to mine, that he had a bigger grasp and a greater grasp of finance and financial activities than I had, and therefore it made it possible for me to enter into my later duties as Chairman of the Federal Reserve, secure in the knowledge that his view of independence of the Federal Reserve was based on independence within the Government but not independence of the Government, that he fully appreciated the importance of money, and sound money, but at the same time he didn't want money to be our master, he wanted it to be our servant.

And in the sense that he was pursuing sound monetary policies, he was pursuing them with an understanding that unless we had sound money we would be servants and not masters of that money. This is something that all of us, I think, must recognize.

The Federal Reserve System has been blessed with a great many competent people but none more competent or more dedicated than Win Riefler, and he rendered a service which is recognized by this group here today and by many more who could not be here today. And I, as Chairman for a short period of time and working with him, am very glad to testify to the contribution which he made to the work of the Federal Reserve System and to finance in this country.

Cynthia and I had the privilege of traveling with Win on several occasions and everything that's been said here about him is true. He enjoyed a zest for life. I remember

on one of our trips from Basle to Le Havre, that we had great pleasure in finding places where we would point out and say "that would be a good place for you to retire, Win," and then we would discuss whether Dorothy would like it or not, and we gradually moved on toward the sea coast.

Obviously, his qualities as a man and his inspirational and intellectual knowledge were very rare and something that meant a great deal to all of us.

But above all I think he was a man of faith, a man who believed we could work out our problems and no matter how difficult the situation was he came with a constructive point of view. And I simply close these brief comments of mine, and in behalf of some of my associates on the Federal Reserve Board who worked with him, by saying that within the words of the Apostle Paul he fought the good fight always, and he ran the course and when he came to me and said he wanted to retire, he was doing it with the knowledge that he had run his course to the end as he saw it. And above all he kept the faith. That's a heritage that all of us can be proud of and I think all of us who are here today are better because of the fact that we knew and worked with and had the affection and respect of Win Riefler.

#### REVENUE SHARING

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, over the last weekend I noticed a number of remarks being made at the Mayors' Conference to the effect that our cities are being shortchanged by the present administration.

I do not accept such arguments for the desirability of removing Mr. Nixon from office. While I am a country boy myself, I feel a quick glance at the record will reveal the President has made solid contributions to America's cities.

Revenue sharing, although disagreeable to some, has funneled billions into cities, and Mr. Nixon's anticrime and drug abuse funds have helped cut down the permissiveness which flourished under people like Ramsey Clark.

Assistance to mass transit and moves to help cities in many other areas are hardly the earmarks of a deafness to the needs of our metropolitan centers.

The mayors who made the most unsupported statements are, as usual, the ones who drew the headlines. I would like to set the record straight during these times of "kick the President," and point out some of the ills of the cities might be laid more rationally at the feet of others.

#### A MOVEMENT IS MANIFEST

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, I commend the attention of my colleagues to a recent article in the Baton Rouge State Times. In view of the ever-increasing demands of this consumer group and that ecology interest, it is wise to make sure that all the restraints called for are in the best interests of the only real producer in our society, business. Without it, we will not have to be

concerned with the quality of goods and services. There may not be any.

The article follows:

[From the State Times, June 12, 1974]

#### A MOVEMENT IS MANIFEST

A movement to discredit American business as an institution is increasingly manifest.

Some extremists in what is called consumerism tend to take the most trivial complaints and magnify them into the great plot of some massive corporation to mulct the innocent buyers of their goods.

Americans ought to have their heads examined if they don't dissect this movement and lay it out on a porcelain table for analysis and subsequent disposal.

The rising tide of governmental regulation, meaning governmental intervention in business enterprise, is attributable to the extremist advocates of consumerism, of ecologism and of "no growth" America. More regulations, more reports, more staff time to negotiate with regulators and more lawyers to defend against more accusations leave American business with less people, less time and fewer resources to devote to the production of goods and services.

It increasingly appears that the spokesmen for some proposed legislation are more determined to destroy business than to encourage quality goods and services.

New regimentation camouflaged as consumer protection, ecology or a vaguely identified "public interest" ought to be resisted.

A good start would be a repeal or sensible amendment of the federal Occupational Safety and Health Act, which has engulfed business in a maze and labyrinth of regulations and makes most easy the arbitrary, bureaucratic harassment of responsible, productive and tax-paying business by hordes of federal regulators or disgruntled employees or union shop stewards.

Government is by its very nature parasitic. It's a necessary parasite; but it never has produced an ounce of wealth of food or shelter or apparel in any form. All that government has to spend, it first must take from the people who are the producers; in concert or individual, labor and management alike.

Shoddy products and inept or impudent service carry their own penalties. People simply stop doing business with the purveyors of these questionable items.

The customer's intentions are the best control of all.

When he quits, the business collapses.

Somehow, so many of the simple things elude people in their considerations.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. HANSEN of Washington, for June 27 and 28, and until July 8, on account of official district business.

To Mr. MADIGAN, for Wednesday and the balance of the week, on account of a death in the family.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YOUNG of Florida) to revise and extend their remarks and include extraneous matter:)

Mr. STEIGER of Wisconsin, for 20 minutes, today.

Mr. DON H. CLAUSEN, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

Mr. KEMP, for 30 minutes, today.

Mr. COHEN, for 10 minutes, today.

Mr. FINDLEY, for 2 minutes, today.

(The following Members (at the request of Mr. VANDER VEEN) to revise and extend their remarks and include extraneous matter:)

Mr. PODELL, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. MURPHY of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. ICHORD) to revise and extend their remarks and include extraneous matter:)

Mr. BINGHAM, for 15 minutes, today.

Mr. DENT, for 10 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HAWKINS, to address the House for 1 minute, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$940.50.

Mr. SYMINGTON prior to passage of H.R. 15572.

Mr. BROWN of Michigan notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$574.75.

Mr. MIZELL, to revise and extend his remarks of Mr. HARSHA in the Committee of the Whole today on the Harsha amendment on H.R. 14883.

(The following Members (at the request of Mr. YOUNG of Florida) to include extraneous material:)

Mr. STEIGER of Wisconsin.

Mr. DICKINSON.

Mr. HEINZ.

Mr. HUNT.

Mr. HOSMER in three instances.

Mr. BROTHMAN.

Mr. CAMP.

Mr. WYMAN in two instances.

Mr. WALSH.

Mr. ESCH.

Mr. SYMMS in two instances.

Mr. BROWN of Michigan in two instances.

Mr. RONCALLO of New York.

Mr. MARTIN of North Carolina.

Mr. BURGENER.

Mr. FINDLEY.

Mr. HANRAHAN.

Mr. COHEN in 10 instances.

Mr. SHUSTER.

Mr. PRITCHARD.

Mr. ANDERSON of Illinois.

Mr. BRAY in three instances.

Mr. YOUNG of Illinois in two instances.

Mr. FROEHLICH.

Mr. RHODES.

Mr. HUBER in two instances.

(The following Members (at the request of Mr. VANDER VEEN) to include extraneous material:)

Mr. FASCELL in five instances.

Mr. HAMILTON in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mrs. SCHROEDER in 10 instances.  
 Mr. TIERNAN.  
 Mr. MAHON.  
 Mr. PATTEN.  
 Mr. ROYBAL.  
 Mr. HANNA in six instances.  
 Mr. DELLUMS in five 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. 3320. An act to extend the appropriation authorization for reporting of weather modification activities; to the Committee on Interstate and Foreign Commerce.

## ADJOURNMENT

Mr. ICHORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 27, 1974, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS,  
ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2492. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to Indian tribes and the Trust Territory of the Pacific Islands; to the Committee on Education and Labor.

2493. A letter from the Acting Assistant Secretary of State for Economic and Business Affairs, transmitting the 26th report on operations under the Mutual Defense Assistance Control Act of 1951 (Battle Act), pursuant to section 302(b) of the act (22 U.S.C. 1613a(b)); to the Committee on Foreign Affairs.

2494. A letter from the Deputy Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 1114 of title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL  
 2495. A letter from the Comptroller General of the United States, transmitting a report on how ship transfers to other countries are financed by the Departments of State and Defense; to the Committee on Government Operations.

2496. A letter from the Comptroller General of the United States, transmitting a report on continuing logistics issues and constraints in the Navy's logistic support of the 7th Fleet in Southeast Asia; 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. POAGE: Committee of conference. Conference report on S. 3458 (Rept. No. 93-1154). Ordered to be printed.

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 15416. A bill to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes; with amendment (Rept. No. 93-1155). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Committee on Government Operations. House Report 93-1156. Adverse effects of coal mining on various Federal reservoir projects (Rept. No. 93-1156). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 13565. A bill to establish a national program for research and development in nonnuclear energy sources; with amendment (Rept. No. 93-1157). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of conference. Conference report on House Joint Resolution 1062 (Rept. No. 93-1158). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 15623. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. BYRON:

H.R. 15624. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the national wilderness preservation system, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BYRON (for himself, Mr. CARTER, Mr. GUNTER, Mr. HALEY, Mr. MALLARY, Mr. QUIE, Mr. ROBINSON of Virginia, and Mr. SEIBERLING):

H.R. 15625. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. DELLENBACK (for himself and Mr. DON H. CLAUSEN):

H.R. 15626. A bill to amend the Fishermen's Protective Act of 1967 in order to strengthen the import restrictions which may be imposed to deter foreign countries from conducting fishing operations which adversely affect international fishery conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. DUNCAN:

H.R. 15627. A bill to amend section 235 of the National Housing Act to provide that increases in a mortgagor's income shall be taken into account (for purposes of determining the amount of his required mortgage payment under the program of homeownership for lower income families) only to the extent that they exceed increases in the cost of living; to the Committee on Banking and Currency.

By Mr. FORSYTHE:

H.R. 15628. A bill to amend the Rail Passenger Service Act of 1970 to provide that, prior to a change of railroad rates, fares, charges, or service or discontinuance of service by the National Railroad Passenger Corporation, a public hearing be held in the State in which such change is to occur if requested by a majority of the total number of U.S. Senators and Representatives or the Governor of such State; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. ADDABBO, Mrs. SULLIVAN, Mr. JONES of North Carolina, Mr. MOAKLEY, Mr. MINISH, Mr. HECHLER of West Virginia, Mr. BOLAND, Mr. HELSTOSKI, Mr. ROE, Mr. NEDZI, Mr. SYMINGTON, Mr. BEVILL, Mrs. MINK, Mr. CHARLES WILSON of Texas, Mr. MURTHA, Mr. DUNCAN, Mr. DIGGS, Mr. LUKEN, Mr. SISK, Mr. DAVIS of South Carolina, Mr. CONYERS, Mr. YATRON, Mr. FORD, and Mr. RODINO):

H.R. 15629. A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93-233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. THOMPSON of New Jersey, Mr. ASPIN, Mr. STUDDS, Mr. EILBERG, Mrs. COLLINS of Illinois, Mr. MYERS, and Mr. MURPHY of Illinois):

H.R. 15630. A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93-233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation; to the Committee on Ways and Means.

By Mr. HANSEN of Idaho (for himself, Mr. LUJAN, and Mr. RONCALIO of Wyoming):

H.R. 15631. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. HELSTOSKI:

H.R. 15632. A bill to amend the Federal Aviation Act of 1958 to require the installation of airborne, cooperative collision avoidance systems on certain civil and military aircraft, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON:

H.R. 15633. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the minimum wage and overtime requirements for that act for certain full-time babysitters; to the Committee on Education and Labor.

By Mr. ICHORD:

H.R. 15634. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. BELL, Mr. DOWNING, Mr. WINN, Mr. CAMP, Mr. MARTIN of North Carolina, Mr. KETCHUM, Mr. THORNTON, and Mr. PARIS):

H.R. 15635. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a

solar energy coordination and management project, to amend the National Science Foundation Act of 1950 and the National Aeronautics and Space Act of 1958, to provide for scientific and technical training in solar energy, to establish a Solar Energy Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes; to the Committee on Science and Aeronautics.

By Mr. SEBElius:

H.R. 15636. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. SIKES (for himself, Mr. STEPHENS, Mr. WON PAT, and Mr. FISHER):

H.R. 15637. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. VIGORITO:

H.R. 15638. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. WYMAN:

H.R. 15639. A bill to amend title 18 of the United States Code to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on the Judiciary.

H.R. 15640. A bill to amend title 39 of the United States Code, to exempt State-conducted lotteries from certain prohibitions of Federal law; to the Committee on Post Office and Civil Service.

By Mr. YATRON (for himself, Mr. CORTE, Mr. MEEDS, Mr. ANDREWS of North Dakota, Mr. LAGOMARSINO, and Mr. CONTE):

H.R. 15641. 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 Ms. ABZUG (for herself and Mr. EDWARDS of California):

H.R. 15642. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits be-

## EXTENSIONS OF REMARKS

cause of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. DIGGS (by request):

H.R. 15643. A bill to reorganize public higher education in the District of Columbia, establish a board of trustees, authorize and direct the board of trustees to consolidate the existing local institutions of public higher education into a single Land-Grant University of the District of Columbia, direct the board of trustees to administer the University of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. JONES of Tennessee:

H.R. 15644. A bill to amend the Internal Revenue Code of 1954 to increase from \$750 to \$1,500 the personal income tax exemptions of a taxpayer; to the Committee on Ways and Means.

By Mr. PRITCHARD:

H.R. 15645. A bill to amend the Food Stamp Act of 1964 to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining a household's eligibility to participate in the food stamp program and the amount of its benefits under such program; to the Committee on Agriculture.

H.R. 15646. A bill to provide that social security benefit increases (beginning with those becoming effective in 1974) are to be disregarded in determining eligibility for assistance under the medicaid program; to the Committee on Ways and Means.

By Mr. ROONEY of Pennsylvania:

H.R. 15647. A bill to establish university coal research laboratories and to establish energy resource fellowships, and for other purposes; to the Committee on Science and Astronautics.

By Mr. SPENCE:

H.R. 15648. A bill to amend the Federal Election Campaign Act of 1971 to provide for more effective regulation of elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. WYATT:

H.R. 15649. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GUDE:

H.R. 15650. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 1079. Joint Resolution proposing an amendment to the Constitution of the United States with respect to the rights of unborn persons; to the Committee on the Judiciary.

By Mr. BYRON:

H. Res. 1198. Resolution relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering; to the Committee on Foreign Affairs.

By Mr. HANLEY:

H. Res. 1199. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

By Mr. TIERNAN:

H. Res. 1200. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. WOLFF:

H. Res. 1201. Resolution expressing the sense of the House of Representatives concerning the rights and civil liberties of the Irish minority in Northern Ireland; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII.

506. The SPEAKER presented a memorial of the Legislature of the State of South Carolina, relative to restrictions on beef imports, which was referred to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H.R. 15651. A bill for the relief of Edward G. Kelso; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 15652. A bill for the relief of Carla K. Finch; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 15653. A bill for the relief of Lt. Col. Robert L. King (retired); to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### A TRIBUTE TO SUPERIOR COURT JUDGE JAMES R. GIULIANO

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 25, 1974

Mr. RODINO. Mr. Speaker, I want to take a moment today to bring to my colleagues attention the retirement of one of Essex County and the State of New Jersey's finest public servants—and my dear friend, Superior Court Judge James R. Giuliano. Judge Giuliano, on June 18 of this year ended a career which spanned 50 years of jurisprudential history in the State of New Jersey.

Judge Giuliano began his public career at the age of 21, when in 1926 he was elected a Republican committeeman in the city of Newark's old eighth ward. The following year he was graduated from the New Jersey Law School and was admitted to the New Jersey Bar.

Judge Giuliano demonstrated the passion for honest government which was to consume his career when in 1934 he joined the then newly formed Essex County Clean Government movement.

Giuliano has served his State and Nation in both appointed and elected positions. In 1935 and 1936 he served as a member of the New Jersey State Assembly, the lower house of the New Jersey State Legislature. In 1944, Judge Giuliano was appointed a deputy attorney

general by then Attorney General Walter D. Van Riper. In this capacity, young James Giuliano was assigned to criminal prosecutions in Hudson County where he won convictions in an amazing 53 out of 54 cases—a record which made him one of America's most successful trial lawyers.

As New Jersey's own Star Ledger newspaper noted:

Even threats on his life in connection with the prosecution of the Joseph Grillo and Sillo DeVita murder case failed to bring any slackening in his pace as a prosecutor, which by 1957 had seen him working on over 250 murder cases.

Asked by the Star Ledger to comment on the single element responsible for his outstanding record as a prosecutor, Judge Giuliano remarked: